

# Island County 2019 Adopted Budget

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**Serving the Communities of Island County**

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**BEFORE THE BOARD OF COUNTY COMMISSIONERS  
OF ISLAND COUNTY, WASHINGTON**

IN THE MATTER OF ADOPTING THE ISLAND  
COUNTY BUDGET AND DIKING DISTRICT #4  
BUDGET FOR FISCAL YEAR 2019

RESOLUTION NO. C-117-18

**WHEREAS**, Chapter 36.40 RCW provides for the development, presentation, consideration and fixing of the final budgets for each County fund by the Board of County Commissioners, and

**WHEREAS**, several public meetings (Island County budget workshops) have been held to consider estimated 2019 revenues and expenditures, all open to citizen input and comment, and

**WHEREAS**, all input, suggestions, requests, and other considerations have been weighed by the Board of County Commissioners resulting in the following 2019 Preliminary Budget attached as Exhibit A; and

**WHEREAS**, the County budgets on the modified accrual cash basis which includes any expenditures budgeted in 2019 that are paid during 2019 and thirteenth period (January 2020);

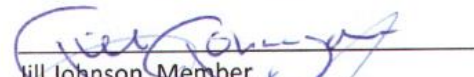
**NOW, THEREFORE BE IT RESOLVED, BE IT FURTHER RESOLVED**, that the Board of County Commissioners has reviewed the Preliminary Budget in public meeting, and hereby adopts the 2019 Budget for all Island County Funds and the 2019 Budget for Diking District #4, as shown on the attached Exhibit A.

ADOPTED this 3rd day of December, 2018 following public hearing.

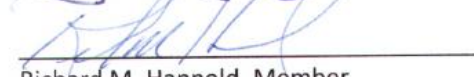
**BOARD OF COUNTY COMMISSIONERS  
ISLAND COUNTY, WASHINGTON**



Helen Price Johnson, Chair



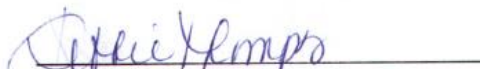
Jill Johnson, Member



Richard M. Hannold, Member



**ATTEST:**



Debbie Thompson, Clerk of the Board

**Budget Resolution**



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**Serving the Communities of Island County**



## Message from Commissioners

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“Island County’s government is steady and strong” according to Commissioner Helen Price Johnson, chair Island County Board of Commissioners. “This budget represents the bi-partisan priorities of this Board to fund public safety programs while planning for the long-term stewardship of County assets on both islands.”

Public safety is the highest priority for 2019 with over 60% of the available current expense funds allocated toward public safety and justice programs. The budget also demonstrates a commitment to attract and retain high quality County staff, and investments in succession planning for senior leadership. The budget addresses necessary upgrades and replacements in County facilities, and invests in maintenance of existing public assets, particularly parks.

District 2 Commissioner Jill Johnson described that this budget reflects a commitment of the Board to prepare the County for the future. “We utilized one-time funds for special projects to help stage better conversations about program outcomes and evaluation,” she said.

Long range facility planning and the investment for a new Camano office building were a focus for District 3 Commissioner Rick Hannold. He noted that Camano office hours will be increased in 2019 to align with other County offices.

The Washington State University Extension contract for 2019 increased support for the WSU forestry program, including online forest stewardship education, community workshops and technical assistance for Island County property owners.

During a public hearing on December 3, 2018 the Board of Commissioners unanimously adopted the Island County 2019 comprehensive budget totaling \$103.8 million, including restricted and unrestricted funds. Two major funds are the restricted-use Road Fund of \$30.8 million to support transportation safety, maintenance, and construction projects, and the unrestricted-use Current Expense budget of \$27.7 million which supports all law and justice programs, elections, and general government services.

Also adopted was the 2019 budget for Diking District #4, for which the Commissioners serve as the governing board. Diking District #4 is located on the west side of South Whidbey Island at Deer Lagoon. This budget of \$4,000.00 provides for the maintenance of the public dike.



## Mission – Principles

### Mission Statement

Quality Services for a Quality Life

### Guiding Principles

- Provide for the long-term health and safety of the people, the economy and our natural resources.
- Assure customer service and promote operational excellence and efficiencies of Island County
- Promote active participation in government.
- Fulfill our constitutional responsibilities, holding ourselves to a high standard of accountability, transparency, ethics and fairness.
- Maintain agricultural and recreational opportunities while strengthening our economic vitality.

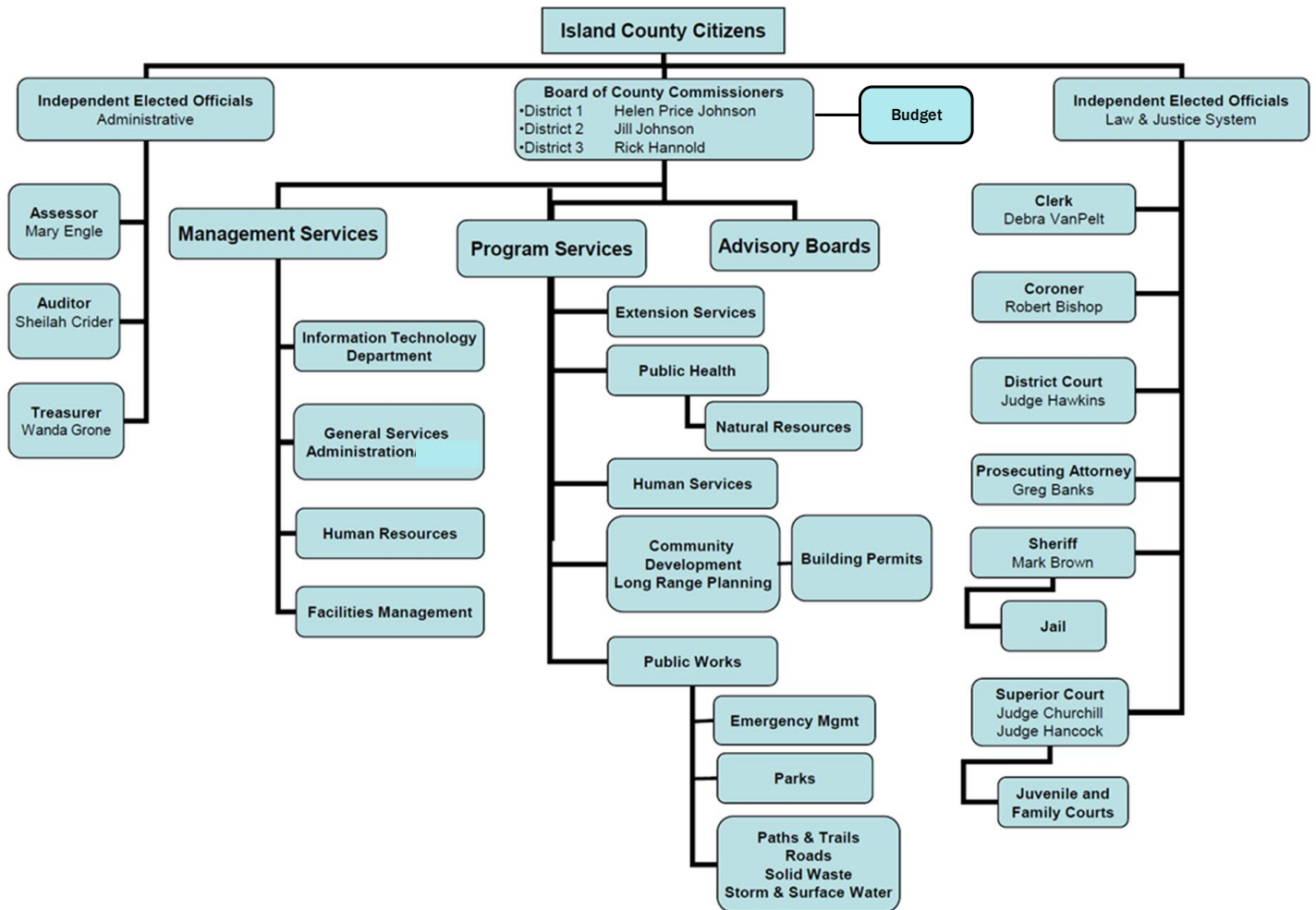
### HISTORICAL NOTE

On April 4, 1853, the first Island County Commissioners' meeting took place in Coveland, the newly designated county seat, located on Penn's Cove northwest of Coupeville on Whidbey Island's east coast. The meeting was held at the home of Commissioner John Alexander. The other two commissioners attending were John Crockett and Samuel D. Howe.

While Island County is the second smallest county in landmass, next to San Juan County, it is the 14th largest county in population in Washington State. This is due to the county's largest employers: U.S. Naval Air Station Whidbey, Whidbey Health Medical Center, Nichols Brothers Boat Builders, and Island County local government.



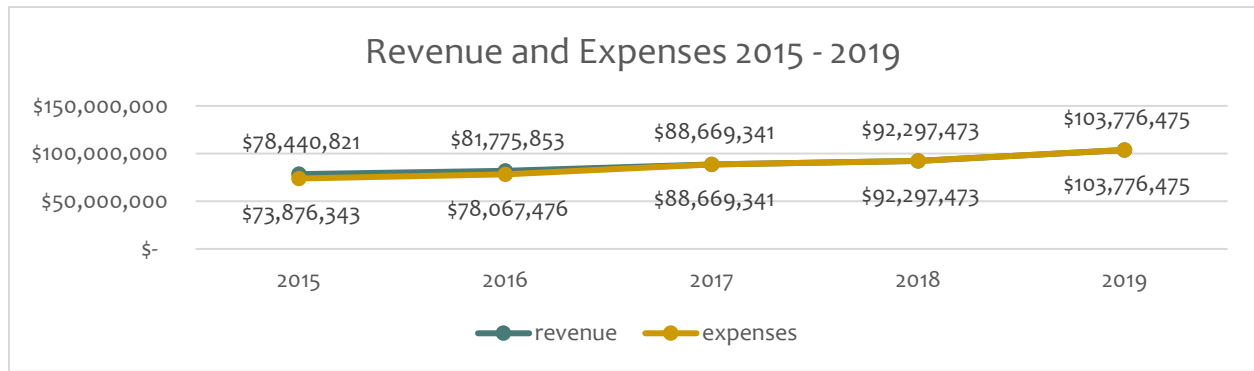
# Island County Organizational Chart



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**Serving the Communities of Island County**



## Summary of Revenue and Expenses

Revenue has increased steadily over the last 4 years due to an improving economy.

The 2019 Budget funds existing programs and services based on current levels of service. The countywide budget which includes all funds and departments totals \$103.8 million, which is an 8% increase over 2018's adopted budget. As in previous years, ongoing expenditures are funded by ongoing revenues. Fund balance and reserves are budgeted to fund one-time expenditures, such as major projects and temporary positions.

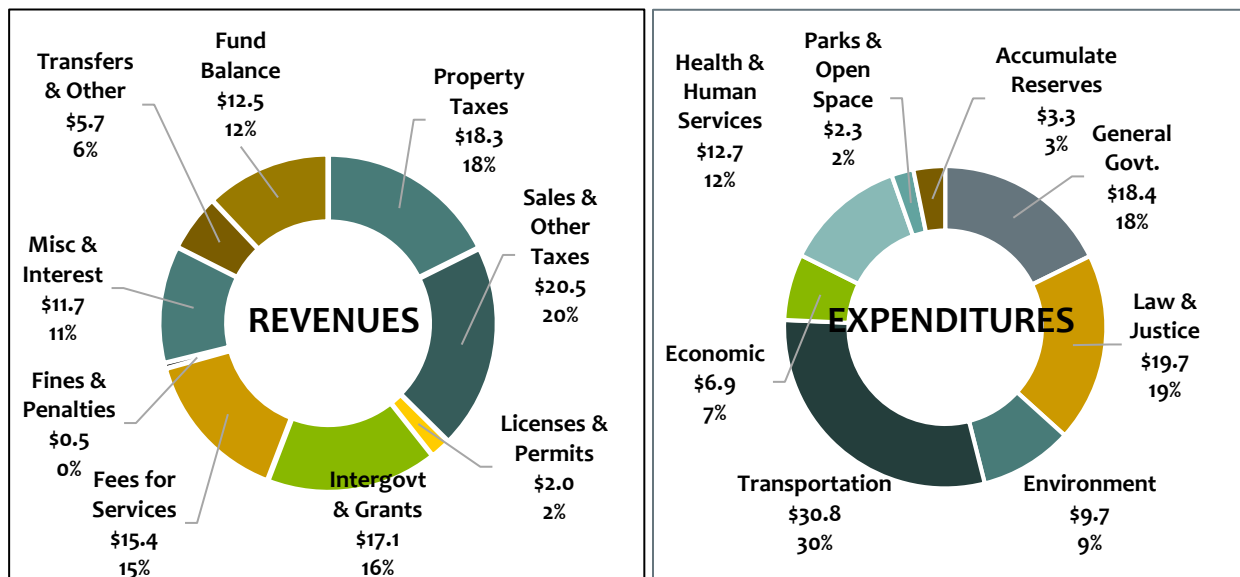
Basic economic assumptions used in the preparation of the annual budget are based upon the following principles:

- Revenue and expenditure estimates are prepared on a realistic basis.
- Expenditure estimates anticipate contingencies that are reasonably predictable and probable.
- Revenues of a limited or indefinite term are not used to fund ongoing services and programs, but rather are used for capital projects or expenditures of a limited duration (i.e. one time).
- Deficit financing and borrowing is not used to support on-going county services and operations.

The following charts illustrate where our County revenues come from and where our money is spent.

### 2019 BUDGET \$103.8 MILLION

(\$\$\$ ROUNDED IN MILLIONS)



Description	Prior Years Actuals		Year to	2018 Budget	2019 Budget	\$ Change	%
	2016	2017	Date @ 10/31/2018				
REVENUES							
PROPERTY TAXES	\$17,447,288	\$17,794,870	\$16,709,698	\$17,907,950	\$18,292,950	\$385,000	2%
SALES & OTHER TAXES	16,390,070	18,168,219	13,926,282	19,124,330	20,514,300	\$1,389,970	7%
LICENSES & PERMITS	2,341,938	2,560,908	1,992,075	2,173,224	2,037,744	-135,480	-6%
INTERGOVERNMENT REVENUES	17,781,432	17,862,228	14,207,629	16,111,743	17,140,961	1,029,218	6%
CHARGES FOR SERVICES	14,985,507	14,918,861	12,134,499	14,941,279	15,415,029	473,750	3%
FINES & PENALTIES	478,210	480,065	414,937	478,450	450,902	-27,548	-6%
MISCELLANEOUS & INTEREST	4,795,328	5,888,681	6,237,942	6,659,653	11,749,979	5,090,326	76%
TRANSFERS & OTHER SOURCES	7,556,080	4,422,337	6,098,733	6,370,316	5,670,055	-700,261	-11%
TOTAL REVENUES	81,775,853	82,096,169	71,721,795	83,766,945	91,271,920	7,504,975	9%
USES OF FUND BALANCE/RESERVES				12,289,281	12,504,555	215,274	2%
TOTAL	\$81,775,853	\$82,096,169	\$71,721,795	\$96,056,226	\$103,776,475	\$7,720,249	8%
EXPENDITURES							
SALARIES	\$24,580,174	\$25,726,499	\$20,997,940	\$27,110,964	\$28,608,084	\$1,497,120	6%
BENEFITS	9,569,081	10,247,307	8,531,229	12,218,637	12,440,296	\$221,659	2%
MAINTENANCE & OPERATIONS	24,069,739	26,925,395	20,409,105	30,148,093	33,718,261	3,570,168	12%
INTERGOVERNMENT	3,085,441	3,054,580	2,011,506	2,635,183	3,604,811	969,628	37%
CAPITAL	2,889,200	1,816,886	4,811,428	6,805,551	7,942,364	1,136,813	17%
INTERDEPT & TRANSFERS	13,490,260	10,274,279	10,756,755	13,178,704	13,351,909	173,205	1%
DEBT SERVICE & OTHER	383,581	496,806	202,263	807,300	818,700	11,400	1%
TOTAL EXPENDITURES	78,067,476	78,541,752	67,720,226	92,904,432	100,484,425	7,579,993	8%
ACCUMULATION OF FUND BALANCE				3,151,794	3,292,050	140,256	4%
TOTAL	\$78,067,476	\$78,541,752	\$67,720,226	\$96,056,226	\$103,776,475	\$7,720,249	8%
Revenues Over (Under) Expenditures	\$3,708,377	\$3,554,417	\$4,001,569	\$0	\$0	\$0	

A summary of revenue and expenses over time show a growth in revenue of over \$25 million since 2015, and matching expenditures.

## Summary of Revenues

For each of the categories in the revenue table, some discussion about each source of revenue to help the reader understand more about the sources of County funding. The table illustrates the relative weight of each source, and the extent to which the County uses fund balance/reserves as a source of funding.

	Description	2019 Budget	Percent of the Total
<b>REVENUES</b>			
	PROPERTY TAXES	\$18,292,950	18%
	SALES & OTHER TAXES	20,514,300	20%
	LICENSES & PERMITS	2,037,744	2%
	INTERGOVERNMENT REVENUES	17,140,961	17%
	CHARGES FOR SERVICES	15,415,029	15%
	FINES & PENALTIES	450,902	0%
	MISCELLANEOUS & INTEREST	11,749,979	11%
	TRANSFERS & OTHER SOURCES	5,670,055	5%
	<b>TOTAL REVENUES</b>	<b>91,271,920</b>	
	USES OF FUND BALANCE/RESERVES	12,504,555	12%
	<b>TOTAL</b>	<b>\$103,776,475</b>	

Since 2017, sales and other taxes exceed property taxes as the largest source of revenue, followed by property taxes and intergovernmental revenues.

### Sales Taxes

Island County collects sales and use taxes on taxable events. This source of revenue represents over 20% of our annual general fund budget. The following table provides an explanation of the types and uses of sales and other taxes available to the County as revenue sources.

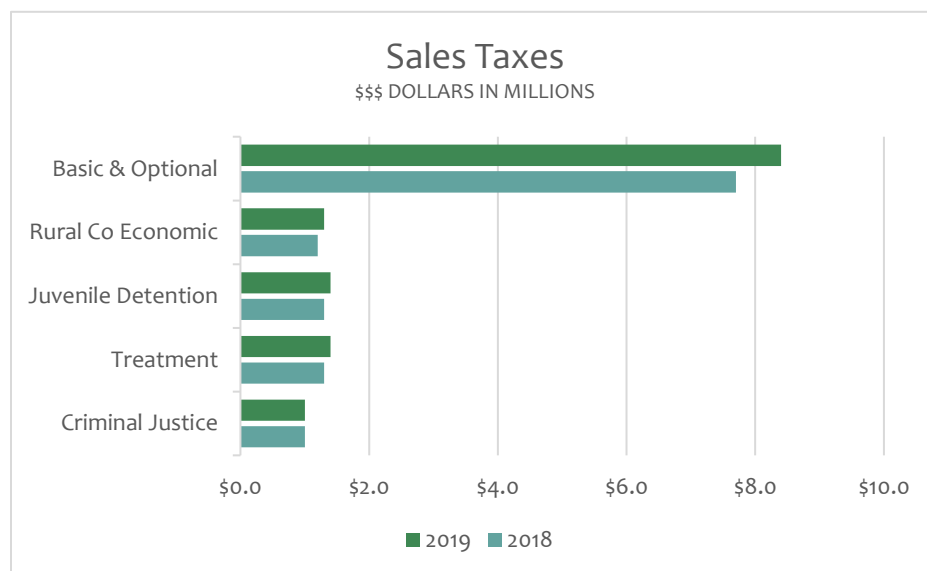
<i>Sales Tax</i>	<i>Rate</i>	<i>Restrictions</i>	<i>Description</i>
<b>Basic County</b>	0.50%	None. Can be used for any legally allowable purpose	For sales in an incorporated area 85% goes to city and 15% goes to the County
<b>Optional County</b>	0.50%	None. Can be used for any legally allowable purpose	For sales in an incorporated area 85% goes to city and 15% goes to the County
<b>Criminal Justice</b>	0.10%	Restricted to criminal justice purposes	10% of the funds collected are distributed to the County, with the remainder allocated to the cities and the county based on population.



<b>Sales Tax</b>	<b>Rate</b>	<b>Restrictions</b>	<b>Description</b>
<b>Juvenile Detention</b>	0.10%	Restricted to operating and maintaining a juvenile detention facility	100% distributed to County
<b>Therapeutic/Mental Health</b>	0.10%	Restricted to chemical dependency and mental health treatment programs and for the operation of therapeutic court programs	100% distributed to County
<b>Total</b>	<b>1.30%</b>		

Sales taxes are estimated to increase 9-10% over 2018 levels. In the Current Expense Fund, the estimated portion due to one-time large projects (\$172,000) is budgeted as an accumulation of fund balance.

- Basic and Optional funding for **2019 is \$8.4 million** (2018 was \$7.7 million)
- Criminal Justice (restricted) for **2019 is \$1.0 million** (2018 was \$1.0 million)
- Therapeutic (restricted) funds for Drug Courts and programs in Human Services for **2019 is \$1.4 million** (2018 was \$1.3 million)
- Juvenile Detention (restricted) for **2019 is \$1.4 million** (2018 was \$1.3 million)
- Rural County Economic Development (restricted) for **2019 is \$1.3 million** (2018 was \$1.2 million)



## Property Taxes

This source of revenue represents over 18% of our annual general fund budget.

The Implicit Price Deflator (IPD) is the statutory measure of inflation for calculating property tax levy increases. For levies to be collected in 2018, the IPD is 2.169%. Counties are allowed to increase the total amount levied from the previous year by the lesser of the IPD or 1%, plus refunds and the value of new construction.

The Current Expense Levy as proposed includes a 1% increase over the previous year's levy and includes refunds and the value of new construction at last year's levy rate. The amount available to the Current Expense Fund (aka General Fund) is reduced by earmarks for Veterans Assistance, Mental Health, and Developmental Disabilities, which are restricted for only those purposes.

- Available after earmarks for **2019 is \$7.9 million** (2018 was \$7.7 million)

The County Road Levy as proposed is a 1% increase over the previous year's levy and includes refunds and the value of new construction at last year's levy rate.

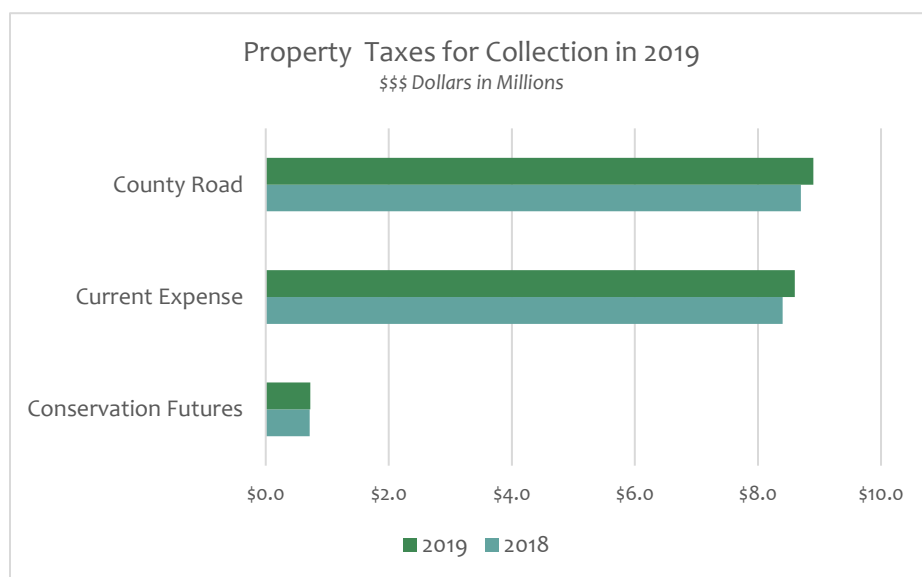
- For **2019 \$8.9 million** (2018 was \$8.7 million)

The Conservation Futures levy as proposed is a 0% increase over the previous year's levy and includes refunds and the value of new construction at last year's levy rate.

- For **2019 \$723,000** (2018 was \$715,000)

Estimates for delinquent, penalty interest and interest on property taxes are forecasted to decrease by approximately \$236,000 (-15%) due to a strong local economy.

- For **2019 \$0.9 million** (2018 was \$1.1 million)



## Intergovernmental Revenues

Overall other revenues remain stable. State, federal and other governmental entities are projected to increase \$1.0 million to \$17.1 million. Real Estate Excise Taxes are collected on the sale of property. For **2019, \$3.9 million** is anticipated, which is in line with actual collections over the recent 2 years. This source of revenue represents over 17% of our annual general fund budget.

This category consists of grants from both state and federal governments.

- Direct federal Grants
- Federal entitlement, impact
- Indirect federal grants
- State grants
- State shared revenue
- State entitlement
- Interlocal
- Intergovernmental services

## Charges for Services

This source of revenue represents over 15% of our annual general fund budget and shows an expected 3% increase over 2018 revenue. This category consists of fees charged for specific services rendered.

Building and septic permit revenue is anticipated to decrease slightly to approximately \$109,000 (-7%) and building plan review fees will also decrease \$65,000 (-10%). Both are due to construction activity in the unincorporated areas of the county.

Solid Waste volume continues to trend upwards. Revenue from Solid Waste fees is budgeted to increase by approximately \$352,000 (5%).

- **2019 \$15,415,029** (2018 \$14,941,279)

## Miscellaneous and Interest

The budget estimate for investment earnings is developed by the Treasurer based on investment portfolio and rates. The increase in investment earnings (11%) is due to higher interest rates. The budget estimate for investment earnings is developed by the Treasurer based on the investment portfolio and rates. The increase in investment earnings due to higher interest rates will be offset by cash outlays for major construction projects.

Miscellaneous revenue also includes a one-time capital appropriation (\$5.0 million) by the Washington State Legislature that will fund construction of the Oak Harbor Stabilization Center.

- **2019 \$11,749,979** (2018 \$6,659,653)

### Licenses and Permits

This small (2%) category includes Marriage licenses, Family support service fees, Gun Permits, and other miscellaneous licenses and permits the county issues. It is forecasted to be about 6% less revenue in 2019 than 2018.

- **2019 \$2,037,744** (2018 \$2,173,224)

### Fines and Penalties

Court fines and penalties (\$450,902) continue to contribute less than 3% of the cost of Law and Justice programs. Court revenue continues to decrease due to recent court cases that limit the court's ability to collect fines and HB 1783 which eliminates the accrual of interest on all criminal financial obligations.

- **2019 \$450,902** (2018 \$478,450)

### Use of Fund Balance and Reserves

Fund balance and reserves act as a savings account for future, one-time expenditures. When fund balance is budgeted to be used to pay for an expenditure, it's depicted in the revenue budget as "Use of Fund Balance/Reserves." When budgeted revenues exceed budgeted expenditures, the difference is shown in the expenditure budget as "Accumulation of Fund Balance" and increases the balance available for future years.

In 2019 approximately \$12.5 million is budgeted as Use of Fund Balance, which is a slight increase (\$0.2 million) from the 2018 budget. The major use of fund balance is forecasted to occur in the Capital Improvements fund to finance the new Camano Annex and in County Road fund due to an aggressive construction schedule during 2019.

- **2019 \$12,504,555** (2018 \$12,289,281)

## Summary of Expenditures

An overall summary of expenditures for the County notes that 72% of the budget is spent on personnel, benefits and Maintenance and Operations. The County maintains a very low debt service and contributes a healthy 3% to the accumulation of reserve balance.

Beginning with salaries and benefits, which combined represent the largest expenditure of the County (at 40%), personnel costs, changes and projections for this budget are 6% higher than in 2018.

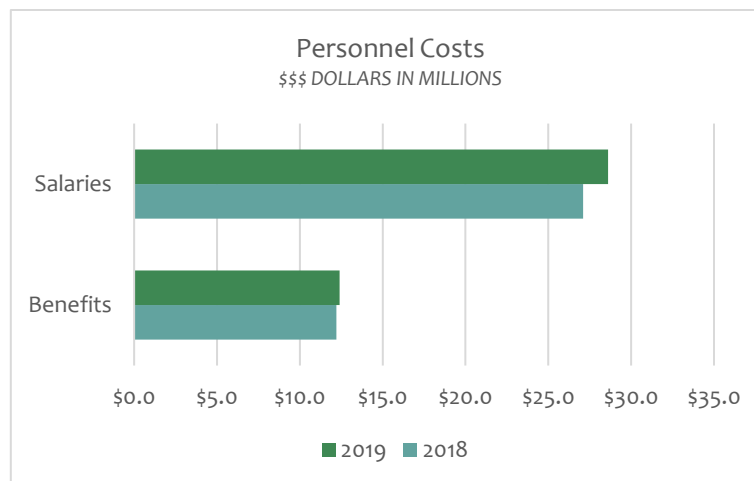
	Description	2019 Budget	Percent of the Total
<b>EXPENDITURES</b>			
	SALARIES	\$28,608,084	28%
	BENEFITS	12,440,296	12%
	MAINTENANCE & OPERATIONS	33,718,261	32%
	INTERGOVERNMENT	3,604,811	3%
	CAPITAL	7,942,364	8%
	INTERDEPT & TRANSFERS	13,351,909	13%
	DEBT SERVICE & OTHER	818,700	1%
	<b>TOTAL EXPENDITURES</b>	100,484,425	
	ACCUMULATION OF FUND BALANCE	3,292,050	3%
	<b>TOTAL</b>	\$103,776,475	

### Personnel Expenditures

Personnel costs are forecasted to increase by \$2.3 million (6%) to a total of \$ 41,048,380 as illustrated in the table and graph below.

Salaries & wages	\$28.6	\$27.1	\$1.5	6%
Benefits	\$12.4	\$12.2	\$0.2	14%
<b>Total</b>	<b>\$41.0</b>	<b>\$39.3</b>	<b>\$1.7</b>	<b>4%</b>

Note: dollars shown in millions





Increases which are known at the time of adoption of the budget are included. Known increases in salaries and wages are included for:

- Elected officials
- Longevity/seniority increases
- Known position and paygrade changes (if any)

The contingency budget within the Current Expense fund for potential changes in personnel costs totals \$493,000. Included in this contingency are:

- \$294,000 for unsettled labor agreements. This is funded with ongoing revenues.
- \$240,000 for County personnel policy and labor agreements to provide for payout of accrued but unused annual and sick leave when employees leave county employment. This is funded with a reserve of fund balance.
- \$199,000 for potential changes in positions. This is funded by ongoing revenues.

In 2019, the County will continue negotiations with the Sheriff's Criminal Division and Corrections Division Guilds to reach agreement on new labor contracts.

The County's budget for 2019 contains funding for approximately 439 approved full-time equivalent employees. (NOTE: FTE total does not include Elected Officials.)

Department	2019	2018	2017
Assessor	16.6	16.2	16.1
Auditor	11.6	11.6	11.6
Clerk	8.5	8.0	8.5
Commissioners	3.0	3.0	3.0
Coroner	1.0	1.0	1.0
District Court	12.1	12.1	12.1
Facilities Management	13.5	13.5	12.5
General Services Administration	5.3	5.0	5.5
Human Resources	4.0	4.0	4.0
Human Services	28.1	27.1	25.3
Information Technology	9.0	10.0	9.0
Natural Resources	6.7	5.0	5.0
Planning and Community Development	34.0	32.5	29.5
Prosecutor	19.0	19.0	17.5
Public Health	33.8	33.3	34.3
Public Works	119.4	115.8	113.2
Sheriff	74.5	76.5	75.5
Superior and Juvenile Courts	31.0	31.1	31.8
Treasurer	7.8	7.8	7.8
<b>TOTAL Budget</b>	<b>438.9</b>	<b>432.5</b>	<b>423.2</b>

Budget estimates for Elected Official's Offices and the departments under the authority of the Board of County Commissioners are developed based upon approved positions. Changes to approved positions are shown in the table below.

Department	Position
Clerk	Part-time employee to reduce backlog of un-scanned old case files
Public Health	Assessment Coordinator to increase data analysis capacity in Public Health and Human Services
Human Services	Part-time receptionist
Parks	2 additional seasonal parks technicians
Public Works	2 additional construction engineers
GSA Camano Annex	Assistant at front counter increased to full-time

### Retirement Benefits

Island County participates in the Washington State Department of Retirement system, known as PERS (Public Employees Retirement System). The employer contribution rate increases for PERS plans are slightly less than 1%.

- For **2019 the expense is \$3.3 million** (2018 was \$3.1 million)
- For PERS the **2019 rate is 13.05%** (2018 rate was 12.079%)
- There are no rate changes for LEOFF2 plans (Law Enforcement Officers and Fire Fighters Retirement Plans). 43% (law enforcement) and PSERS (Public School Employees Retirement System Plan) plan 11.9% (correctional officers)

### Medical Benefits

Employer contributions for medical benefits are projected to increase approximately \$100,000 including all departments and funding sources. The employer contribution to the base plan offered by the county ranges from \$10,000 for employee only coverage to \$22,000 for family coverage. Budget estimates are based on current employee plan choices and dependent coverages. Vacant positions are budgeted using the family premium.

- For 2019 the expense projection is **\$6.4 million** (2018 was \$6.3 million)

Members of the Deputies Guild and Corrections Officers Guild participate in the LEOFF Trust for medical insurance. The estimated premium increase is projected to be 10%. Other county employees eligible for medical coverage can select coverage offered through WA Counties Insurance Fund (WCIF). WCIF premiums increased overall by 8%. The county's final rates include a 4% reduction due to 40% of employees successfully participating in the wellness program offered by WCIF.

### Current Expense Overhead Allocation

The overhead administrative fee from non-general funds to the Current Expense Fund (aka General Fund) is a payment for various services provided by the general fund. Amounts are calculated based upon the most recent Federal Indirect Cost Allocation Percentage Rate (as prepared by the Island

County Auditor's office). An appropriate balance is maintained between resources allocated for direct services to the public and resources allocated for the costs of administration.

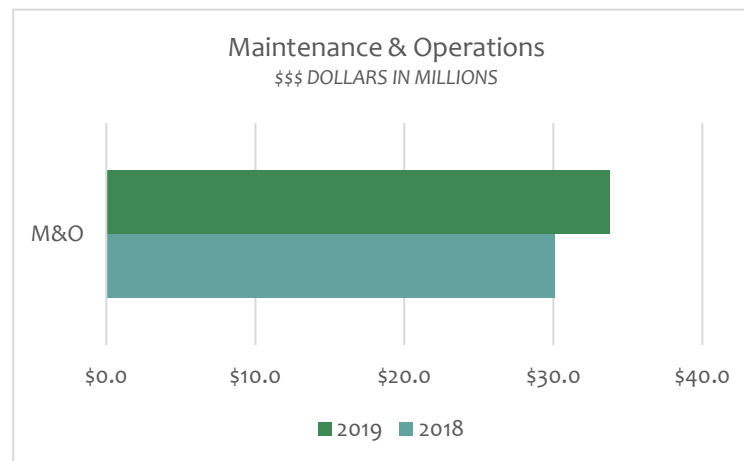
- The rate based on most recent indirect rate for federal grants as calculated by Auditor's Office
- **2019 Rate is 6.93% | Total \$2.6 million (2018 \$2.4 million)**

## Maintenance and Operations

The expense category of maintenance and operations represents 32% of all county expenditures, and are forecasted to increase in 2019. The majority of this increase is due to costs associated with several major Public Works construction projects.

- **For 2019 the budget is \$33.8 million (2018 was \$30.1 million)**

Each year the county establishes a contingency on operations budget in the Current Expense Fund. For 2019, the contingency amount is \$100,000.



## Capital Projects

Construction of the new Camano Annex is scheduled to begin in spring 2019 and the new facility should be operational in early 2020. Construction cost, plus furnishings and equipment is estimated at \$4.5 million funded by real estate excise taxes. Also, beginning in 2019 will be construction of the Oak Harbor Stabilization Center which is funded by a capital appropriation (\$4.0 million) by the Washington State Legislature and \$1.0 contribution by North Sound Behavioral Health Organization.

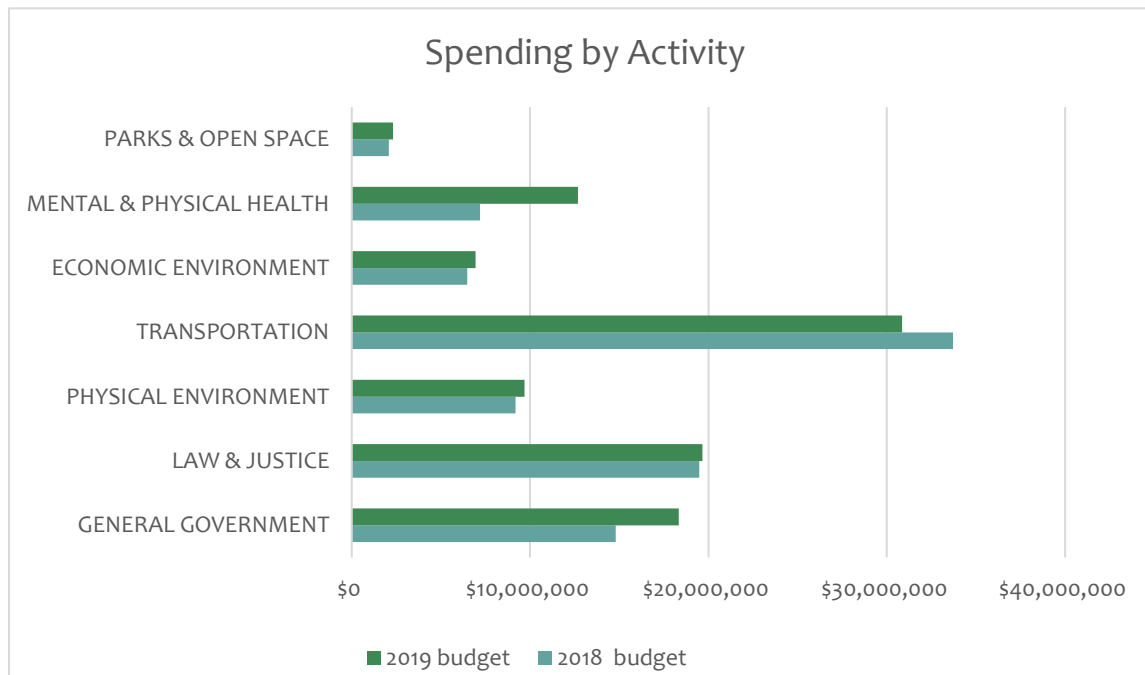
## Accumulation of Fund Balance

In **2019, \$3.3 million** is budgeted under Accumulation of Fund Balance which is a 4% (\$140,000) increase over the previous year.

## Summary of Spending by Service Provided

This section provides an overall summary of County spending by category of activity (or service provided) and a comparison with past years. The department narratives section provides more detail

about each department, its mission, programs, and in some cases, performance information. Unless noted in the detailed department budget narratives, departmental budgets remain stable in 2019. Budget estimates for 2019 are based upon prior year actuals and then adjusted for any known increases or decreases in the upcoming year.



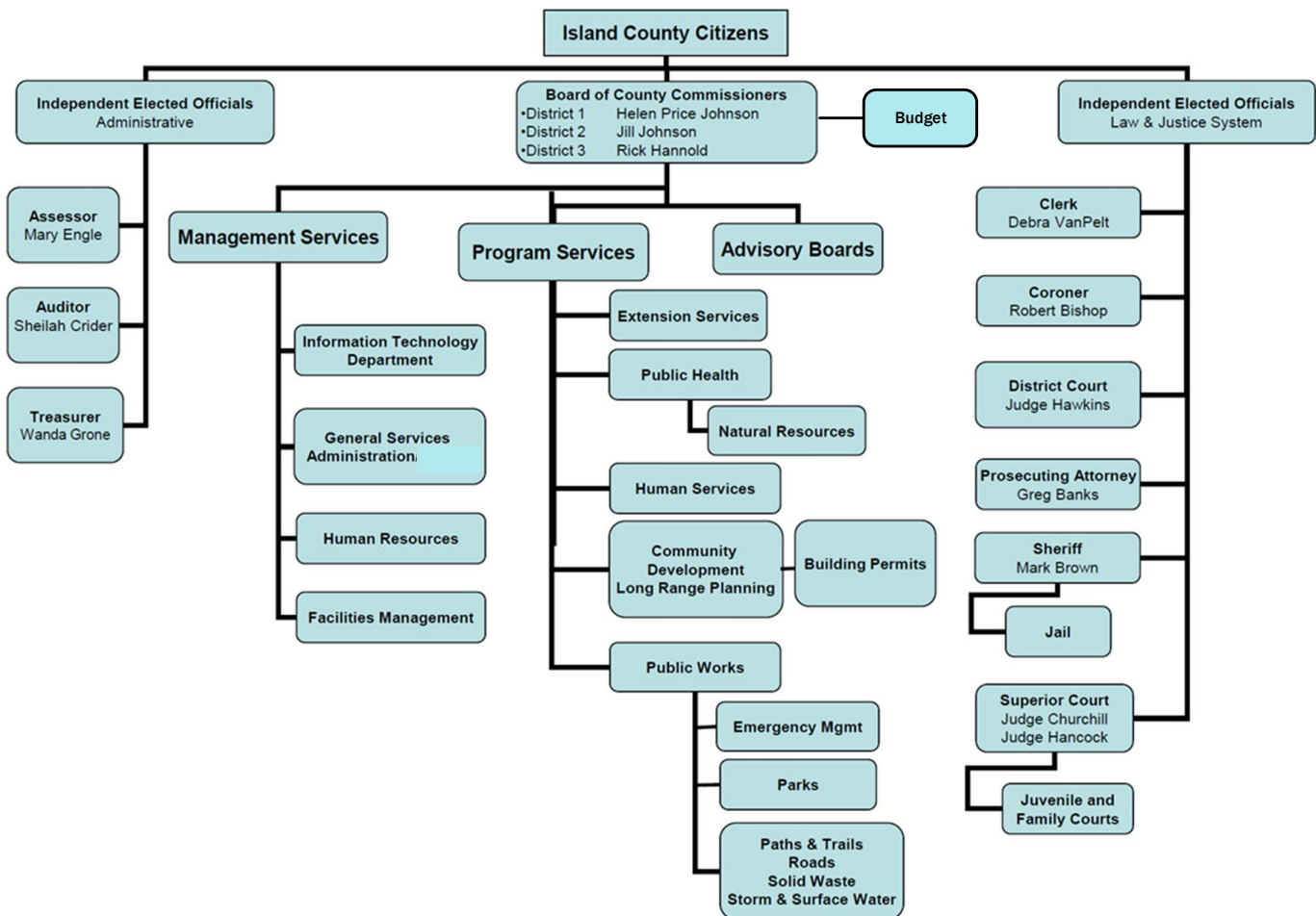
Description	Prior Years Actuals		Year to Date @ 10/31/2018	2018	2019	\$ Chg	% Chg
	2016	2017		Budget	Budget		
GENERAL GOVERNMENT	\$13,855,275	\$11,466,729	\$10,883,624	\$14,801,692	\$18,331,786	\$3,530,094	24%
LAW & JUSTICE	18,039,906	18,579,814	14,667,155	19,481,303	19,660,006	178,703	1%
PHYSICAL ENVIRONMENT	8,776,056	8,934,228	8,722,859	9,175,390	9,688,817	513,427	6%
TRANSPORTATION*	24,838,643	25,972,667	21,583,685	33,706,032	30,855,056	-2,850,976	-8%
ECONOMIC ENVIRONMENT	4,180,171	5,194,733	4,738,781	6,469,201	6,949,233	480,032	7%
MENTAL & PHYSICAL HEALTH	5,841,087	6,342,300	5,529,709	7,200,255	12,681,343	5,481,088	76%
PARKS & OPEN SPACE	2,536,338	2,051,281	1,594,413	2,070,559	2,318,184	247,625	12%
<b>TOTAL</b>	<b>\$78,067,476</b>	<b>\$78,541,752</b>	<b>\$67,720,226</b>	<b>\$92,904,432</b>	<b>\$100,484,425</b>	<b>\$7,579,993</b>	<b>8%</b>

\* road funding, included in transportation spending, is separate and restricted from other uses.



## The Budget by Department Details

There are 22 departments captured on the summary of revenues by department table and illustrated on the organizational chart below. These departments collaborate to provide the services the County is statutorily bound to provide, as well as those service programs citizens engage the County to do, often in cooperation with other service providers. As the County grows, and as issues and challenges change for citizens of Island County, programs and services must also shift and adapt to meet changing expectations. In coming years, department narratives will become more specific, and more targeted to report on across-program outcomes.







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## Departmental Narratives

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Departments provide line item budget estimates based upon prior year actuals adjusted for any known increases or decreases in the upcoming year. Program information for each department is available through the Island County website.

Primarily departmental budgets remain stable in 2019, with few new programs or staffing added. In each department narrative a description of the purpose, mission or function of the department is provided, along with any available update of 2018 and planned 2019 activities that shape the budget.

Revenues and expenditures for 2018 and 2019 are provided along with a calculation of the change in revenue and expenditure so that the reader can readily see any shifts in revenue and spending the department is working with.





## Assessor's Office

The Island County Assessor's office is required to physically inspect, appraise and revalue all real property once every 6 years with an annual review and update based on sales analysis. A [link](#) to the Assessor's web page can provide more information.

This appraisal cycle is established by the state constitution and state laws, enforced by the State Department of Revenue. State law requires that the Assessor value property at 100% of true and fair market value. The market value is determined by the property owners who are buying and selling real estate in the market place. Finding the market value of your property means discovering the price most people would pay for your property.

To do our job we:

- Maintain inventory, description, ownership, sales and mapping for all properties.
- Provide information, education and assistance.
- Provide public computer access to assessment data, also now available on the Internet through the Real Property Search.
- Allocate value to taxing districts, calculate levy rates and certify tax roll to Treasurer.
- Prepares defense of valuations for appeal boards.
- Maintain business personal property listings and audits.
- Administer and provide information for tax exemptions, including:
  - Senior citizen and disabled persons exemption.
  - Open space taxation, forest land exemption, farm and agricultural exemption.
  - Historic properties exemption.
  - Residential home improvement exemption.

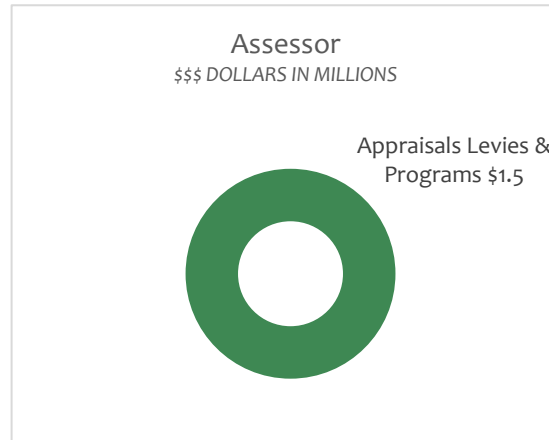
*The mission of the Assessor's Office is to appraise all property fairly and equitably, to maintain accurate and accessible property records and give prompt and courteous customer service.*

The Island County Assessor's office is beginning inspection of revaluation **Area 2** - an area consisting of parcels that lie between Penn Cove and Greenbank. Assessor's staff will be out in this area through March of 2019.

Our budget needs for the 2019 budget will cover currently approved positions, including continued additional capacity for parcel segregations section through the end of 2019. Operating costs include any unavoidable increases.

#### Assessor's Office

	2019	2018	Change
Revenues	<b>\$8,500</b>	\$14,200	-\$5,700 <b>-40%</b>
Expenditures	<b>\$1,488,640</b>	\$1,409,336	\$79,304 <b>6%</b>
FTEs	16.6	16.2	0.4





## Auditors Office

The mission of the Auditor's Office is to perform the people's business with the highest level of integrity, accuracy and professionalism. The County Auditor is responsible for conducting elections and maintaining voter registration records; for the issuance of vehicle and vessel licenses, for the issuance of marriage licenses; for the recording, maintenance and retrieval of real property documents, deeds and titles; and for the oversight and reporting of the County's accounting and financial activities.

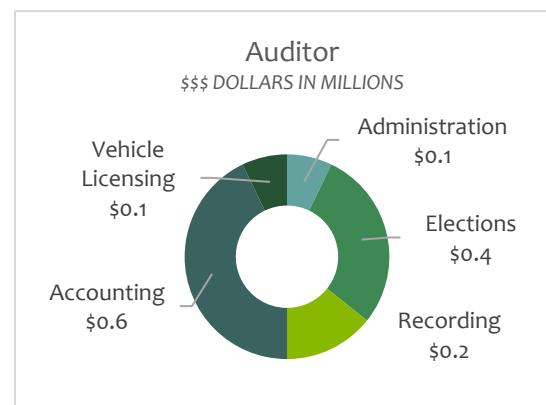
It should be noted that all divisions of the Auditor's Office operate within statute (state law) as to the performance of duties and responsibilities. Fees are set and regulated by statute and the legislature. A [link](#) to the Auditor's Office web page provides more information.

Duties performed in the Auditors Office include:

- **Accounting:** Payroll - Accounts Payable - Financial Reporting
- **Elections:** Election Administration - Voter Registration and Maintenance
- **Licensing:** Vehicle Licensing - Vessel Licensing
- **Marriage Licenses:** Marriage License administration
- **Recording:** Recording Official Documents - Historical Documents

Major revenues supporting this office are document recording fees (\$330k), vehicle licensing fees (\$420k) and reimbursements of election costs by other governmental agencies (\$280k). Unrestricted current expense general revenues provide the remaining support (\$409k) to operate the Auditor's office. The budget for the Auditor's office provides funding for approved positions, and operating costs include any unavoidable increases.

The budget for the Auditor's office provides funding for approved positions and operating costs.



### Auditor's Office

	2019	2018	Change	
Revenues	\$1,077,200	\$1,074,290	\$2,910	0%
Expenditures	\$1,413,868	\$1,403,271	\$10,597	1%
FTEs	11.6	11.6	0.0	



## Clerk's Office

The Clerk's office performs accounting functions on behalf of the Superior Court, including the processing of fines, fees and legal financial obligations (LFOs) that repay crime victims for their losses. Our in-house collection program establishes and monitors defendant payments to ensure responsible compliance with court orders.

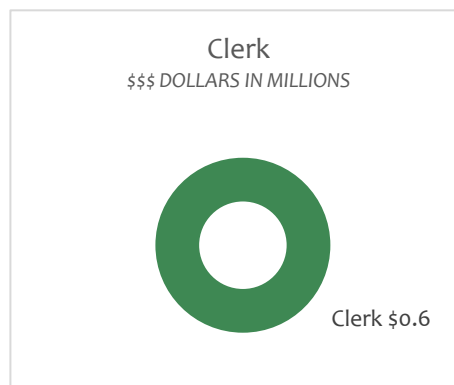
Court fees and fines collections are forecasted to be slightly lower than 2018. This decrease is due to recent court rulings that decrease a court's ability to collect monies owed. Funding for the Clerk's Office includes funding for approved positions (with one exception mentioned below), and operating costs. To reduce the backlog of un-scanned older case files, a temporary part-time employee is funded through the end of 2019.

*The mission of the Clerk's department is to provide excellent customer service while protecting the integrity and accuracy of court documents, including long-term preservation of court records.*

The Clerk's office is only partially funded by Superior Court fees (\$209k) and fines (\$66k). The remainder of funding for this office comes from a state grant (\$38k), and Current Expense general revenues (\$326k). Court fees and fines collections are forecasted to be slightly lower than 2018.

A [link](#) to the Clerk's web page provides more information.

Clerk's Office				
	2019	2018	Change	
Revenues	\$319,400	\$332,400	-\$13,000	-4%
Expenditures	\$645,563	\$664,364	-\$18,801	-3%
FTEs	8.5	8.0	0.5	







## Commissioners' Office

The Board of County Commissioners is the County's legislative and executive authority and is made up of three commissioners elected to four-year terms. The county is divided into three geographic districts based on population and at the time of election, each Commissioner must live in the district from which they are elected. The County Commissioners' positions are partisan and are nominated in a primary election embracing only their particular district. All voters in the county are given an opportunity in the general election to select the commissioner who will ultimately serve.

The Commissioners are charged with overseeing county operations; financial and budgetary matters; and the adoption of laws that regulate county growth, health, safety and welfare of its citizens.

The budget funds approved positions, and operating costs include any unavoidable increases. As part of the county's transition to an outcome-based budget and succession planning, the budget manager position is restored from part-time to full-time and is included in the Commissioner's Office Budget.

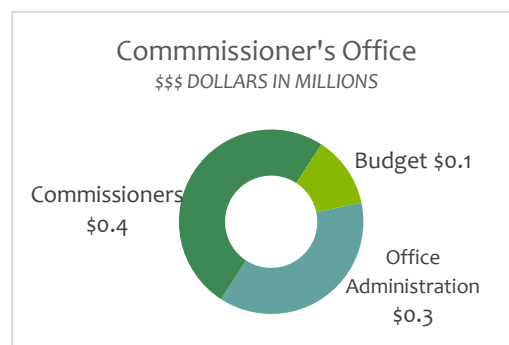
The Commissioners' Office is funded with unrestricted Current Expense revenues. More information about the Commissioners' Office and County government is available on their web page by selecting this [link](#).

### Commissioners' Office

	2019	2018	Change
Revenues	\$0	\$0	\$0
Expenditures	\$670,430	\$630,639	\$39,791 6%
FTEs	4.0	3.0	1.0

### Budget Manager

	2019	2018	Change
Revenues	\$0	\$0	\$0
Expenditures	\$130,623	\$73,333	\$57,290 78%





## Coroner

The function of the county coroner is one of death investigation. Death investigations often include scene investigation, witness and family interviews, medical records reviews, attending physician opinions, toxicology studies and thorough body examinations. If necessary, an autopsy may be done.

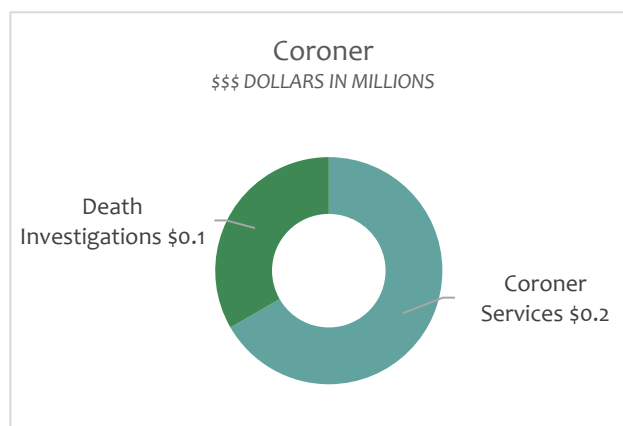
The Revised Code of Washington (RCW) describes the authority and jurisdiction of the county coroner. The Island County Coroner's Office (ICCO) has jurisdiction only in deaths that occur within the geographical limits of Island County.

The Coroner's office is funded with a state grant (\$35k) reimbursing autopsy costs and both restricted and unrestricted Current Expense revenues (\$267k). The budget provides funding for approved positions, and operating costs include any unavoidable increases.

More information about the Coroner's Office and function is available on their web page at this [link](#).

### Coroner's Office

	2019	2018	Change	
Revenues	<b>\$35,000</b>	\$35,000	\$0	0%
Expenditures	<b>\$301,759</b>	\$286,512	\$15,247	5%
FTEs	<b>1.0</b>	1.0	0.0	





## District Court

Case Types Heard in District Court include criminal and civil cases. Criminal cases include both misdemeanors and gross misdemeanors. Civil cases encompass traffic infractions, small claims (Recovery of money out of pocket) up to \$5000, civil claims up to \$100,000, anti-harassment/stalking motions, domestic violence protection orders, name change petitions, replevin actions (recovery of property), civil impound hearings, and dangerous dog appeal (Oak Harbor city municipal only).

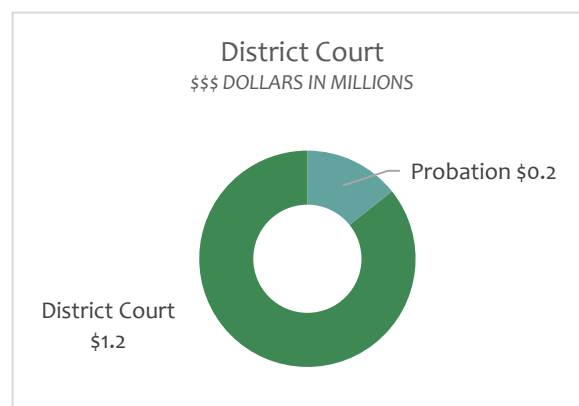
District Court revenue continues to decrease due to recent court cases that limit the court's ability to collect fines and HB 1783 which eliminates the accrual of interest on all criminal financial obligations. Approved positions and operating costs (including any unavoidable increases) are funded in 2019.

District Court is only partially funded by court fees (\$183k) and fines (\$373k). Through an Interlocal agreement, District Court serves as the municipal court for the cities and the town within Island County. The cities and town reimburse (\$260k) the county for their share of operating costs for the court. Current Expense unrestricted and restricted revenues also provide financial support (\$554k) to District Court.

More information about District Court is available at this web page [link](#).

### District Court

	2019	2018	Change	
Revenues	<b>\$833,339</b>	\$892,500	-\$59,161	-7%
Expenditures	<b>\$1,386,944</b>	\$1,351,698	\$35,246	3%
FTEs	<b>12.1</b>	12.1	0.0	





## Facilities Management

Facilities Management is responsible for the maintenance, custodial, and property management services at county facilities. Facilities Management is an internal support department which provides management for Island County government buildings, including those located on Camano Island. The Jail and Juvenile Detention Facilities are round the clock, 24 / 7 facilities. All totaled, we service over 185,000 square feet of space.

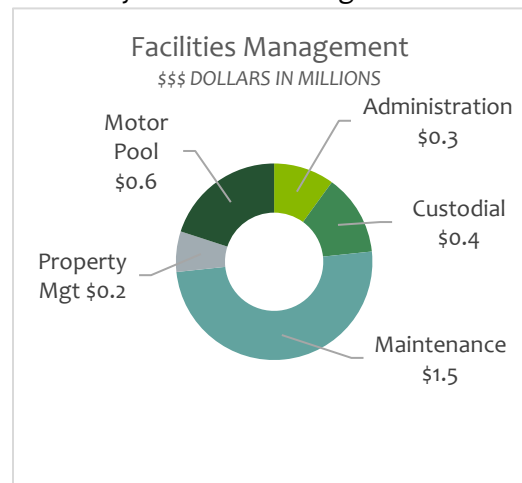
*Our mission is to assure that we are doing the best job possible to provide a safe and friendly environment for County business to be conducted.*

The department is funded with unrestricted Current Expense revenue (\$1.4 million) and Real Estate Excise taxes (\$5.3 million).

The county motor pool program (\$622k) is also administered by Facilities Management and is supported by inter-department rental charges. (Note: Costs associated with Public Works vehicles and equipment are not included in the motor pool budget.)

The budget provides for approved positions and services, and operating costs include any unavoidable increases. The reduction in revenue is the result of a one-time inter-fund transaction that occurred in 2018 transferring funds reserved for vehicle replacements.

In 2019, construction of the Camano Annex replacement is budgeted and funded by Real Estate Excise Taxes (\$4.5 million). Facilities Management is also providing support and expertise in the development and construction of the Oak Harbor Stabilization Center. See our web page at this [link](#) for ongoing updates.



	2019	2018	Change	
Revenues	\$898,117	\$1,055,505	-\$157,388	-15%
Expenditures	\$7,575,455	\$4,146,395	\$3,429,060	83%
FTEs	13.5	13.5	0.0	



## General Services Administration

General Services Administration (GSA) is responsible for several programs including Board of Equalization, Conservation Futures, Public Defense, Animal Shelter contracts, Records Management services, Risk Management, and Conservation Futures. This budget contains funding for approved positions and services and includes any unavoidable increases for operating costs. See our web page at this [link](#) for more information about our services.

**GSA Administration.** GSA Administration (\$300k) is funded with unrestricted Current Expense revenues. The Camano Annex administrative assistant at the Camano Annex will be increased to full-time to provide front counter coverage until 4:30 p.m. daily. The cost increase for this change is \$12,000. GSA also administers the security contracts for both the Law and Justice and District Court buildings.

**Conservation Futures.** The Conservation Futures Program protects and preserves threatened areas of open space, timberlands, wetlands, habitat areas, culturally significant sites, and agricultural farmlands within Island County. For 2019, the Conservation Futures revenue decreases by \$422,000 due to one-time grants that funded the Barnum Point acquisition. Depending on results of the 2019 CFF application cycle, this budget may be modified.

**Public Defense.** Citizens have the right to have an attorney represent them in criminal matters and certain civil matters. If a citizen is interested in attaining legal representation but cannot afford to pay for it, they are eligible for a public defender. In July 2018, the State began contracting directly with attorneys in child dependency cases, rather than the County doing so. This change results in a \$65,000 annual savings in the cost of providing legal representation to indigent individuals.

Providing indigent individuals with legal representation in criminal matters is a constitutional obligation of the State of Washington. Because the State funding is insufficient, the county spends \$900,000 annually of local dollars.

**Risk Management.** Risk Management administers the liability and property insurance, claims management and loss control programs. Risk Management costs (\$1.0 million) are pro-rated to each department based on worker hours and shown in the budget as an inter-department service.

Island County is a member of the Washington Counties Risk Pool (WCRP). The County's assessment for liability increased \$96,488 (23%) over the previous year. WCRP's increases in cost of claims for which the Pool is responsible, and costs in reinsurance and excess coverage resulted in an overall increase of 24.7% to the base rate. However, the Board of Directors voted to reduce the base rate from .988 per thousand worker hours to .945 utilizing \$1 million of fund balance.

If Pool costs remain flat for next year and the County's worker hours remain the same, the County's cost will increase at a minimum of about \$29,000. Based upon past claims history, the county has selected a higher deductible (\$100,000) for 2019. Deductible levels are reviewed annually.

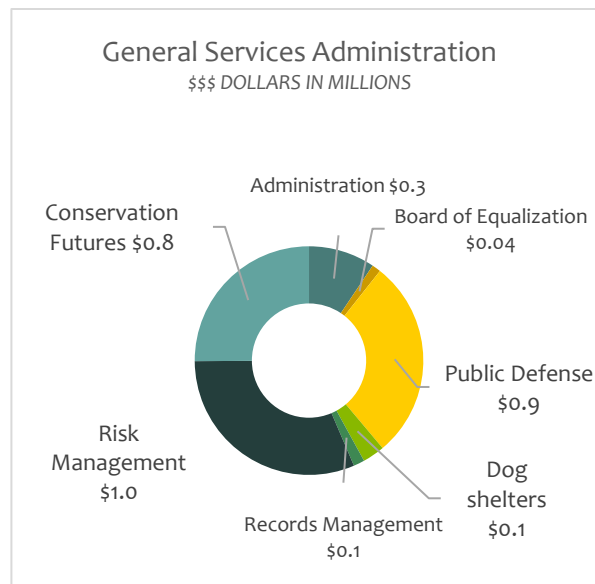
**Records Management.** Records Management provides centralized records management services to comply with state and federal laws regarding storage, protection and disposal of County records.

**Board of Equalization (BOE).** The Board of Equalization (\$38k) is an independent appeals board which hears taxpayer appeals of property tax valuations. Board of Equalization members are citizens of Island County appointed by the County Commissioners. No fees are charged to hear an appeal. BOE is funded by unrestricted Current Expense revenues.

**Impounded Animal Shelter contracts.** GSA manages two contracts with two local non-profit organizations for impounded dog shelter services on Whidbey and Camano Islands. Whidbey Animal Improvement Foundation (\$65k) owns and operates an animal shelter in Coupeville. Camano Animal Shelter Association (CASA) (\$32k) operates in a county owned facility located at the Camano Annex. Dog license revenue (\$23k) funds only 23% of the cost for this program.

#### General Services Administration

	2019	2018	Change
Revenues	\$1,817,099	\$2,188,859	-\$371,760 -17%
Expenditures	\$3,213,698	\$3,512,660	-\$298,962 -9%
FTEs	5.0	5.0	0.0







## Human Resources

Human Resources provides services to other county departments including employee relations, recruitment and orientation, compensation analysis, benefits administration, labor negotiations and affirmative actions.

The budget for Human Resources funds approved positions and services and includes any unavoidable increases for operating costs.

During 2019 the Civil Service Commission Secretary duties will transition in Human Resources and the Safety program will move back into GSA Risk Management. This department is funded with unrestricted Current Expense revenues.

See our web page at this [link](#) for access to Human Services resources and job openings in Island County.

*The mission of the Human Resources Office is to efficiently meet the operational and strategic human resource needs of Island County government. These include the areas of recruitment, compensation and benefits, labor relations and affirmative actions. We seek to meet these needs through coordination with the departments, officials and employees of Island County and the public.*

### Human Resources

	2019	2018	Change
Revenues	<b>\$4,000</b>	\$24,500	-\$20,500 -84%
Expenditures	<b>\$451,151</b>	\$451,490	-\$339 0%
FTEs	<b>4.0</b>	4.0	0.0







## Human Services

Human Services provides programs and services to all age levels in our community. These programs are funded with a combination of local revenues and state and federal grants. More explanation and details about funding and focus of each of these programs is provided below and available on our web pages at this [link](#).

**Seniors Resources.** Funding (\$155k) is budgeted for an ongoing contract with Island Senior Resources in support of the nutrition and other senior services provided on both islands. This program is funded by unrestricted Current Expense Revenues.

**Housing Assistance.** The Housing Assistance Program (\$1.2 million) oversees contracts with outside agencies that provide affordable and homeless housing assistance to very low and extremely low-income households. County personnel facilitate community-wide planning and coordination to identify housing needs to prevent homelessness.

The Housing Assistance program is supported by document recording fees (\$1.0 million) and state grants (\$200k).

**Veterans Assistance.** The Veterans Assistance program (\$152k) provides short-term financial assistance to indigent veterans and coordinates services for veterans in need.

This program is funded by earmarked funds from the County Current Expense Levy. No reduction in service level is anticipated in 2019.

### Our Vision

*Island County is a place where people are respected and valued and where everyone has the opportunity to participate in and contribute to their community.*

### Our Mission

*Island County Human Services is an accessible and responsive community resource, working collaboratively to help meet essential needs of the people of Island County and to provide opportunities for our citizens to become contributing members of our community.*

**Behavioral Health.** Behavioral health programs (\$3.0 million) make available community resources for care coordination and support of mental health and substance abuse disorder clients. Services include mental health and substance abuse counselors in local schools and jail, programs to reduce recidivism in the county's law and justice system, trainings for first responders, and county staff participation in statewide integration of health care.

- No major changes to the Human Services programs (\$1.1 million) supported by sales taxes are anticipated. Anticipated revenue for 2019 is \$1.4 million. This sales tax funds mental health and chemical dependency programs in the jail, schools and also supports Superior Court's Drug Courts. The county has set aside funds to be used if the current models of healthcare integration creates temporary or permanent gaps in service levels.
- North Sound Behavioral Health Organization (\$190k) will be providing state enhancement funds to support 2 new Outreach positions. One will work with both the Oak Harbor Police Department and the Island County Sheriff's Office. The other will work with individuals in shelters, and those coming out of psychiatric hospitals. The purpose of this program is to keep people out of or returning to jails, hospitals, etc.
- Opioid Outreach program will continue in 2019. It is anticipated that the partnership with Amerigroup (\$26k) to fund public health nurses who work in this program will continue.
- North Sound Behavioral Health Organization (\$317k Medicaid funds)
- Dedicated Marijuana Account (\$183k total) will increase by \$30,000 and assist in funding an additional Student Support Advocate in Oak Harbor.
- WA State Health Care Authority will provide \$155,000. The Funding from the Criminal Justice Treatment Account from the Health Care Authority dollars will be utilized for jail inmate assessment and treatment through a contracted provider.
- Mental Health earmark (\$159k) from the Current Expense levy.

**Developmental Disabilities.** This program (\$1.2 million) is partially funded by an earmark (\$159k) from the Current Expense levy. The state grant contract (\$824k) is increased by \$100,000 because of additional community need.

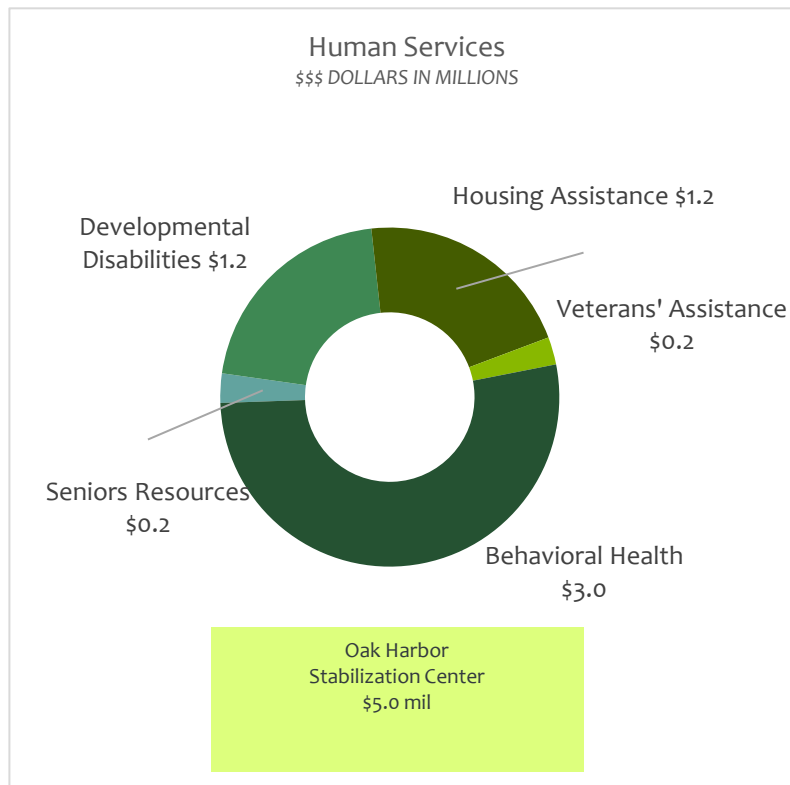
**Oak Harbor Stabilization Center.** Construction will begin in 2019 and is funded by a capital appropriation by the WA State Legislature (\$4.0 million) and a \$1.0 million grant from the North Sound Behavioral Health Organization.

An additional \$.5 million of Treatment Sales Taxes potentially may be needed to help fund construction of the new Stabilization Center in Oak Harbor.

**Assessment.** An additional data assessment position will be located in the Public Health department beginning in 2019. This new position will create additional capacity for data analysis to provide outcome information in Human Services programs. It will be partially funded by Current Expense (\$50k) and Human Services (\$60k).

### Human Services

	2019	2018	Change	
Revenues	<b>\$8,918,931</b>	\$3,320,377	\$5,598,554	169%
Expenditures	<b>\$10,732,722</b>	\$5,880,745	\$4,851,977	83%
FTEs	<b>28.1</b>	27.1	1.0	





## Information Technology

The Information Technology (IT) Department is committed to supporting an effective and efficient government model in Island County and to excel in delivery of technology services. One of our guiding principles is to continually improve services we provide to our internal customers and the citizens of Island County. Information Technology staff are champions of knowledge, collaboration, innovation and teamwork.

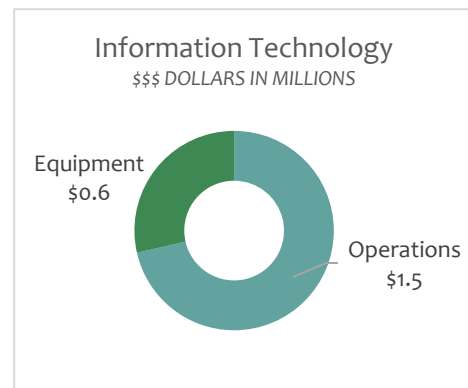
Information Technology provides a wide variety of information technology services to citizens, Island County departments and employees. These services are provided by the way of the computer and telephone networks that we operate, support and maintain. We are transforming the way that we provide technology services by leveraging enterprise tools, technical capabilities created through standardization and alignment to our IT Strategic Plan. For more information about our current projects and the Plan see our web pages at this [link](#).

Continuous service improvement presents a challenge given the fiscal constraints. Our approach is to build service capacity and focus on increased service levels while minimizing costs.

The IT budget provides funding for approved positions, and operating costs include any unavoidable increases. 2019 is the first year (\$218,000) for implementation of the 6-year technology equipment replacement plan. The county's current investment in computers, network equipment, and other Information Technology related hardware totals over \$2.5 million. The IT department is funded by Current Expense revenues.

Major projects scheduled in 2019 include:

- completion of the accounting system upgrade (\$140,000);
- begin planning for the transition to and implementation of an organization-wide electronic content management system (\$75,000);
- continued work on disaster recovery plan that would move the county to a hybrid computing platform (\$35,000);
- enhancements to the county's web presence; and,
- provide technical expertise in the transition to cloud hosting of the SmartGov™ permitting system.



Information Technology	2019	2018	Change	
Revenues	\$0	\$0	\$0	0%
Expenditures	\$2,057,638	\$1,814,679	\$242,959	13%
FTEs	9.0	10.0	-1.0	



## Planning and Community Development

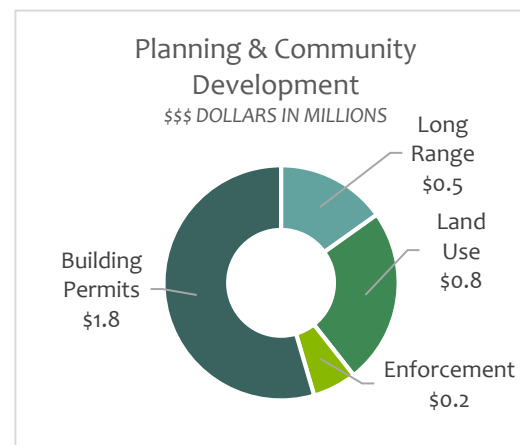
Planning and Community Development is responsible for overseeing, managing and regulating land-use and development within unincorporated Island County to protect the health, safety and welfare of County residents. For access to our products and services visit our web site at this [link](#).

This department consists of permit managers, permit technicians, building inspectors, planners (both current-use and long-range), development coordinators, administrative assistants and a code enforcement officer, all of whom work under the direction of the department head and the building official. We review building permits and development proposals by land owners to ensure they are consistent with Federal, State, and County regulations.

We work with other government departments, agencies, and municipalities; the general public; land-owners; special interest groups; and businesses in our responsibility to oversee development in unincorporated Island County both now and in the future. Additionally, we work to balance these competing development interests to protect the individual property owner and the collective community.

A slight decrease in revenues from permits and fees is anticipated in 2019. However, the Planning and Community Development fund has sufficient monies available in reserves to continue present service levels. The department budget provides funding for approved positions and services, and operating costs include any unavoidable increases. An additional administrative assistant position in the Building Permit section on Camano is new in 2019, funded by permit fees. One vehicle replacement (\$28,000) is scheduled in 2019.

Current Expense revenue (\$678k) supports long range planning, enforcement, GIS and hearing examiner services. Dependency on the GMA reserve for long range planning activities will be phased out over the next two to three years. For 2019, only planning consultants (\$120,000) are funded using current expense fund reserves.



Planning & Community Development	2019	2018	Change	
Revenues	\$2,419,650	\$2,836,060	-\$416,410	-15%
Expenditures	\$3,276,816	\$3,091,906	\$184,910	6%
FTEs	34.0	32.5	1.5	





## Prosecutor's Office

The Prosecutor prosecutes violations of state and county criminal laws and provides legal advice to law enforcement officers conducting criminal investigations. By contract with the City of Langley and Town of Coupeville, the Prosecutor's Office prosecutes criminal violation of their municipal criminal codes. The Prosecutor also provides legal advice and representation to all Island County Elected Officials, including the Board of County Commissioners. Under a contract with Washington State, the Prosecutor's office also enforces child support obligations for those whose children receive public assistance.

There are three divisions in the Prosecutor's office: Criminal, Civil and Child Support Enforcement Divisions. The Criminal Division is the major division of the office and prosecute primarily felony level crimes in Superior Court and their appeals. Felony crimes include everything from burglary and drug offenses to sexual assaults and murder.

The Civil Division provides legal counsel to all Island County elected officials, department heads, and numerous county agencies and departments. Serving the role as an in-house law firm for the county, the Civil Division works closely with clients in solving a wide range of legal problems by issuing formal written opinions and memoranda, providing general day-to-day legal advice, and handling civil litigation to which Island County is a party, whether as a plaintiff or defendant.

The Child Support Enforcement Division provides services under contract with the State of Washington to enforce child support orders of absent parents when the custodial parent receives public assistance. This most often includes getting court ordered DNA testing to determine the paternity of a dependent child.

The budget for the Prosecutor's office continues funding for approved positions and operating costs include any unavoidable increases. The additional paralegal position in the Civil Division is funded

*The mission of the Island County Prosecuting Attorney's Office is to meet our statutory and constitutional duties to the citizens of Island County and the State of Washington; To vigorously, justly, and efficiently prosecute those who commit crimes in Island County; To provide excellent legal advice and services to the governing bodies and elected officials of Island County; To be effective advocates for the continuous improvement of the justice system; To set the standard for the highest level of professionalism and ethics for the practice of law in Island County.*

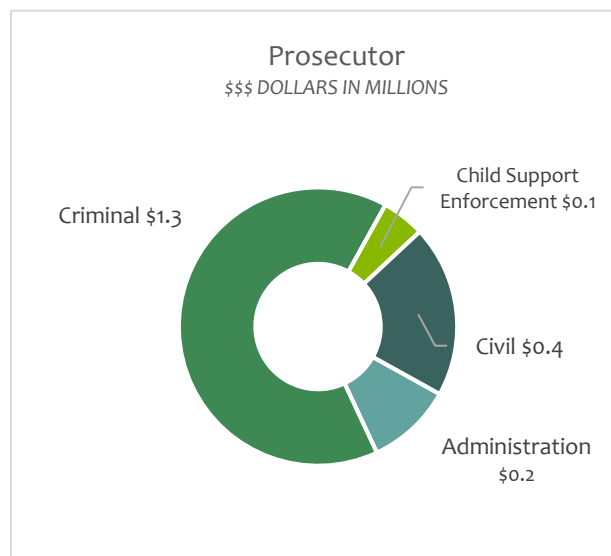
using Current Expense fund balance. Funding is set-aside in the Contingency budget for a potential deputy prosecutor promotion that may occur during the year.

The Prosecutor's office is funded by state grants (\$285k), crime victim penalty assessments imposed on all convicted felons, as well as a portion of all District and Municipal Court fines and fees (\$50k), treatment sales taxes (\$13k) for costs associated with Drug Court and Current Expense general revenues (\$1.7 million).

For more information about the Prosecutor's Office please access our website at this [link](#).

### Prosecutor's Office

	2019	2018	Change
Revenues	<b>\$353,533</b>	\$312,666	\$40,867 <b>13%</b>
Expenditures	<b>\$2,016,621</b>	\$1,944,071	\$72,550 <b>4%</b>
FTEs	<b>19.0</b>	19.0	0.0







## Public Health and Natural Resources

The Public Health department is comprised of the divisions of Environmental Health, Natural Resources, Families and Community Health, and Assessment. Missions and services for each of these divisions are described below and described on our website at this [link](#).

Public Health programs are funded through a combination of fees for various services, state and federal grants and general revenues from the Current Expense fund. The contribution by Current Expense will remain steady at \$869,000 for 2019. There is a likelihood that additional grant funds not included in this budget may be available in 2019. Otherwise, this budget provides funding for approved positions, and existing programs and services.

**Environmental Health.** [Environmental Health](#) is the branch of Public Health that is concerned with all aspects of the natural and built environment that may affect human health. Environmental Health Services encompasses food handling, restaurant inspections, solid waste issues, drinking water safety, land use, mobile home parks and caps, water recreation facilities, school health and safety, beach monitoring, vector and zoonotic disease investigation, shellfish protection, hydrogeology, and outdoor burning.

The 2019 budget assumes that sources of grant funding will remain consistent with past years and adjustments will be made as new information becomes available. The Island County Board of Health adopted a 6.8% increase of environmental health fees. The estimated impact to revenue is \$55,000. The budget does not include revenue and expenditures for an anticipated Pollution Identification and Correction program funded through the US National Estuary Program as part of the WS Dept. of Health Consolidated Contract. When the amendment is executed, an additional environmental health specialist will be hired.

The 2019 Environmental Health budget (\$1.8 million) is funded by fees for services (\$1.2 million), local and federal grants (\$139k), Clean Water Utility fees (\$424k) and Current Expense unrestricted revenues (\$160k). The budget assumes that sources of grant funding will remain consistent with past years and adjustments will be made as new information becomes available. The Island County Board of Health adopted a 6.8% increase of environmental health fees. The estimated impact to revenue is \$55,000. The budget does not include revenue and expenditures for an anticipated Pollution Identification and Correction program funded through the US National Estuary Program as part of the Washington State Dept. of Health Consolidated Contract. When the amendment is executed, an additional environmental health specialist will be hired.

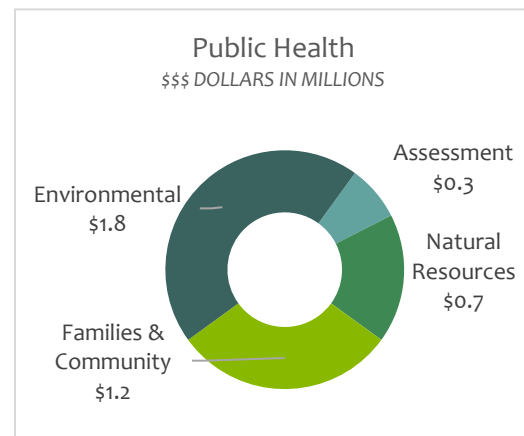
**Family and Community Health.** Service levels remain steady. In response to a reduction in the WIC caseload, staffing levels have been reduced. [Families and Community Health](#) (\$1.2 million) services include vital statistics (birth and death certificates), Women Infants Children (WIC), maternal and child health, supplemental nutrition assistance program education (SNAP-Ed), chronic disease prevention and emergency response preparedness.

The 2019 Family and Community Health budget is funded by fees (\$27k), state and federal grants (\$566k) and Current Expense general revenues (\$540k). In response to a reduction in the WIC caseload, staffing levels have been reduced.

**Assessment and Healthy Communities.** The [Assessment and Healthy Communities](#) (AHC) Section is committed to improving and maintaining the overall health of Island County residents. Our public health professionals do this by engaging in grant writing, strategic planning, and the development of collaborative partnerships to design, fund, and implement community health projects/programs in the county. They also assess the health of the people and the environment in Island County by collecting and analyzing data and conducting community health assessment activities.

An additional data assessment position will be located in the Public Health department beginning in 2019. This new position will create additional capacity for data analysis to provide outcome information in Human Services programs. It will be partially funded by Current Expense (\$50,000) and Human Services (\$60,000). Marijuana and tobacco youth prevention funds (\$33,000) will be leveraged with Human Services funding for prevention activities.

This budget totals \$0.3 million. Community health assessment includes data management, Community Health Advisory Board, Behavioral Risk Factor Surveillance Survey, Healthy Youth Survey, Key Health Indicators, and public health standards. The 2019 budget is partially funded by state and federal grants (\$181k) and a Current Expense contribution totaling \$94,000.



Public Health	2019	2018	Change
Revenues	\$3,443,496	\$3,390,231	\$53,265 2%
Expenditures	\$3,867,996	\$3,797,231	\$70,765 2%
FTEs	33.8	33.3	0.5



## Natural Resources

Natural Resources is the branch of Public Health that is concerned with protecting the natural environment for the benefit of human health and the ecosystem. Environmental Health is the branch of Public Health that is concerned with all aspects of the natural and built environment that may affect human health. The goal of Natural Resources is to protect public health through monitoring and restoration of the environment in areas where there are known impairments.

The Natural Resources department is responsible for the County's Water Quality Monitoring program, the Salmon Lead Entity program, assisting the Marine Resources Committee, and Noxious Weed Control. This budget is funded through federal and state grants and clean water utility fees. Natural Resource's budget provides funding for approved positions, programs and services.

Please access our website at this [link](#) for more information about our programs and services.

<b>Natural Resources</b>	<b>2019</b>	<b>2018</b>	<b>Change</b>
Revenues	<b>\$684,486</b>	\$677,260	\$7,226 <b>1%</b>
Expenditures	<b>\$1,037,486</b>	\$935,760	\$101,726 <b>11%</b>
FTEs	6.7	5.0	1.7



## Public Works

The [Public Works Department](#) encompasses a vast variety of services. Included under Public Works are county road construction and maintenance, drainage projects, solid waste disposal, County parks maintenance and operations, GIS, and emergency management activities.

As part of succession planning for potential retirements in the Engineering Division, 2 additional construction engineering positions (\$172,000) are authorized in the 2019 budget.

**Transportation.** The transportation budget totals \$30.8 million in 2019. Each year Public Works prepares six-year transportation improvement and capital improvement plans for the maintenance and construction of roads, trails, and drainage. These plans form the basis for development of the annual budget for maintenance and construction programs. Here's a [link](#) to road projects information.

Funding sources include among others County road property taxes (\$9.0 million), state shared motor vehicle fuel taxes (\$7.4 million), and state and federal grants (\$1.9 million). The annual road construction program for 2019 totals \$10.1 million. Drainage projects are funded with county road revenues and clean water utility fees.

As mentioned earlier, Public Works budgets for an aggressive construction schedule. Large construction projects scheduled are continued construction of the new road connecting Houston Road to Race Road, providing an alternate to SR 525 (\$1.2 million); intersection improvements at Crescent Harbor and Regatta (\$1.9 million) and Libbey to Kettles multi-use trail connector (\$1.1 million). Replacements of heavy equipment used for maintenance and construction projects total \$1.0 million.

Here is a [link](#) to the County Transportation data.

**County Parks.** Parks maintenance and operations total \$1.1 million and are funded by a combination of general revenues (\$344), donations (\$18k) real estate excise taxes (\$532k), conservation futures property taxes (\$113K), and use fees (\$88k).

Two additional seasonal positions are authorized beginning in 2019.

Here's a [link](#) to information about parks and trails in Island County.

**Solid Waste.** Solid Waste operations total \$7.9 million. Major solid waste programs are trash disposal, septage treatment, recycling, and household hazardous waste disposal. In 2019, the forecasted revenue from solid waste tipping fees is \$7.1 million which is 5% (\$352k) increase over the current year. The upgrade of the septage treatment plant was completed in 2018. Septage fees are also forecasted to increase to \$630,000 annually, up from \$600,000 in 2018.

Here's a [link](#) to information about solid waste services in Island County.

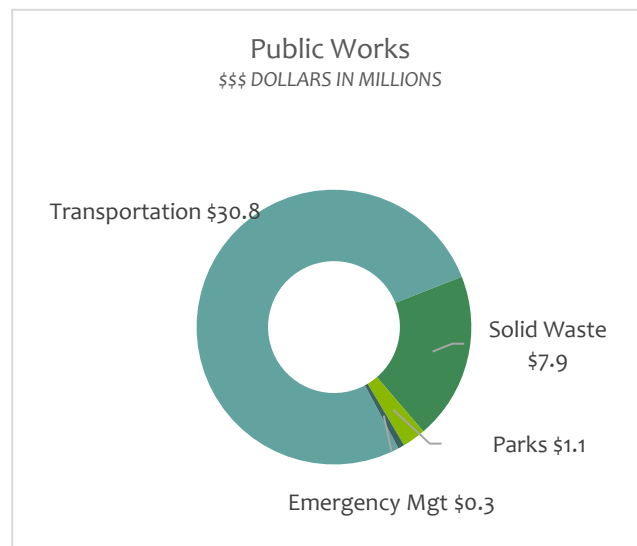
**GIS Program.** The county GIS program is administered by the Public Works Department. Estimated program costs total \$120,000, which is like past years. The cost of the GIS program is shared between the County Road, Current Expense, Public Health and Planning and Community funds.

Here is a [link](#) to our mapping center and open data site.

**Emergency Management.** Emergency management ([website link](#)) activities (\$269k) are funded through a combination of general fund revenues, and state and federal grants. In 2019 funding is budgeted (\$40k) to support an additional position.

### Public Works

	2019	2018	Change	
Revenues	<b>\$34,481,518</b>	\$33,076,522	\$1,404,996	4%
Expenditures	<b>\$40,311,103</b>	\$42,003,763	-\$1,692,660	-4%
FTEs	<b>119.4</b>	115.8	3.6	





## Sheriff's Office

The Sheriff's Office consists of the Corrections Division, the Criminal Division, the Civil Division, Animal Control and Administration. The Sheriff's budget continues funding for currently approved positions and operating costs. The county motor pool budget funds sheriff patrol vehicle replacements which are estimated at \$284,000 in 2019.

The Boating Safety Program is supported by vessel licensing fees (\$40k).

In 2019, the County will continue negotiations with the Sheriff's Criminal Division and Corrections Division Guilds to reach agreement on new labor contracts.

It is highly likely that the City of Oak Harbor and the County will enter into an interlocal agreement to provide county jail capacity to replace the City's jail. The impact of such an agreement will require amendment of the 2019 budget. In 2019, the County will continue negotiations with the Sheriff's Criminal Division and Corrections Division Guilds to reach agreement on new labor contracts.

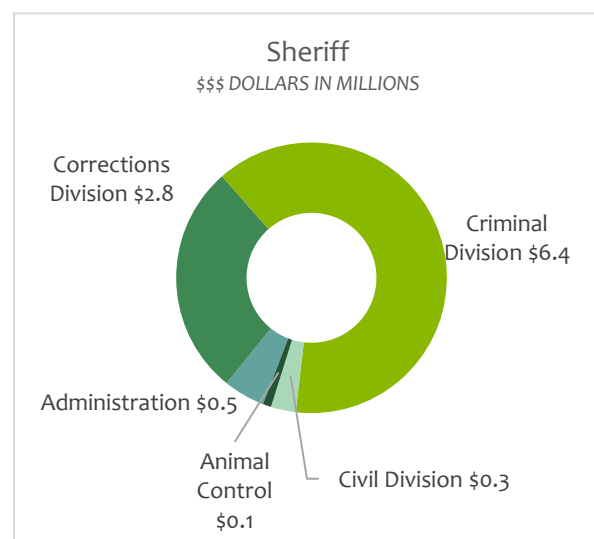
### Sheriff's Office

	2019	2018	Change
Revenues	\$1,819,238	\$1,819,238	\$0 0%
Expenditures	\$10,175,179	\$10,235,877	-\$60,698 -1%
FTEs	74.5	76.5	-2.0

**Criminal Division.** The Criminal Division budget totals \$6.4 million and includes personnel costs (\$5.1 million), operating costs (\$600k) and dispatch services through ICOM E-911 (\$694k). It is anticipated traffic safety costs will be \$1.1 million. Traffic safety support from the County Road Fund (\$825k) only partially supports these costs. The Island County Sheriff's office provides law enforcement services.

The Town of Coupeville reimburses the county through an Interlocal agreement (\$464k). The County also receives \$220,000 in state and federal grants for law enforcement activities.

The County motor pool budget funds sheriff patrol vehicle replacements which are estimated at \$284,000 in 2019.





**Corrections Division.** The Corrections Division operates the County Jail. The \$2.8 mil budget includes personnel costs (\$2.1 million), inmate health and dental care (\$300k), and food services (\$187k). Mental health and substance abuse disorder services are provided by the County's Human Services department and are funded with Treatment sales taxes. Approximately \$120,000 is anticipated from cost reimbursements from the state and federal governments for short-term housing of inmates before transfer to other facilities.

The County is currently negotiating with the Corrections Guild regarding staffing of the jail control room. Due to funding constraints, 2 control room operator positions are no longer on the approved position list.

It is highly likely that the City of Oak Harbor and the County will enter into an Interlocal agreement to provide county jail capacity to replace the City's jail. The impact of such an agreement will require amendment of the 2019 budget.

**Civil Division.** The Civil Division (\$338k) is responsible for permits, records management, and other administrative functions. \$78,300 is budgeted for revenue associated for fees and charges for services.

**Animal Control.** The Sheriff's office is responsible for animal control (\$109k) on both Whidbey and Camano islands.

Please visit our website at this [link](#) for more information about our services and programs.





## Superior and Juvenile Courts

The Superior and Juvenile Courts consists of the Superior Court, the Juvenile Court, Juvenile Detention, Adult and Family Treatment Courts, and CASA (Court Appointed Special Advocate) program. Each of these divisions is described in more detail below and at this [website link](#).

The 2019 budget for the Superior and Juvenile Courts is basically a status quo budget. Superior Court (\$772k) is funded by only a small amount of fee revenue (\$38k) and the remainder by Current Expense funds.

**Juvenile Court Services.** Juvenile Court Services (\$477k) is funded through a combination of state grants (\$260k), Current Expense general revenues (\$202k) and miscellaneous fees (\$15k). Grants provide the department with a portion of funding for probation counselors, and a case manager for the Truancy, At-risk Youth, and Child-In-Need-of-Services processes.

Our probation counselors continue to operate under the principles of risk-need responsivity by determining risk factors within youth and referring them to the appropriate evidence-based services through our department. All these programs continue to demonstrate significant benefits towards reducing recidivism, thus creating financial return to taxpayers.

The grant also provides funding for treatment services of youth struggling with chemical dependency and sexual deviancy. These youth are offered treatment in lieu of incarceration if they are classified as youth that are safe to remain in the community, without public safety concerns.

**Court Appointed Special Advocate program.** CASA (\$146k) is supported by a combination of state grants (\$62k) and funding from the Current Expense. Current Expense support for 2019 is approximately \$84,000. The CASA program assigns volunteer Guardians ad Litem to represent the best interests of children involved in dependency cases.

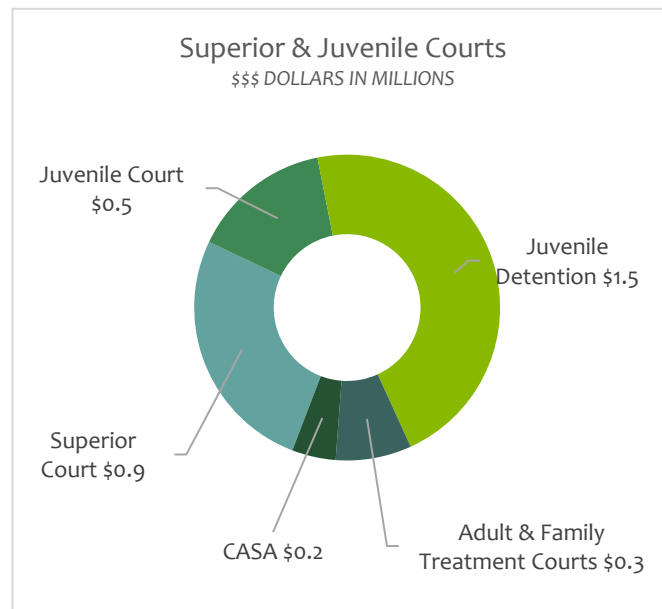
Without the CASA program, based on the current Public Defense fee structure, the additional cost to the county for attorney representation of the children would be approximately \$257,000.

**Juvenile Detention Center.** Juvenile Detention programs (\$1.5 million) are fully funded in 2019 by the 1/10<sup>th</sup> of 1% sales tax collected for this purpose. In prior years when sales tax collections dipped lower, the Juvenile Detention Center and programs were partially supported by general fund revenue, in amounts ranging from \$53,000 to \$300,000.

In 2019, monitoring cameras in the facility will be replaced. The current estimated cost is \$200,000 and facility reserves will be used to pay for this project.

**Therapeutic Courts.** Treatment sales taxes (\$261k) support the adult drug court and the family therapeutic court. Anticipated sales tax revenue for 2019 is \$1.4 million and is shared with Human Services' mental health and chemical dependency programs.

<b>Superior Court</b>	<b>2019</b>	<b>2018</b>	<b>Change</b>
Revenues	<b>\$1,944,370</b>	\$1,853,992	\$90,378 5%
Expenditures	<b>\$3,258,133</b>	\$3,076,119	\$182,014 6%
FTEs	<b>31.0</b>	31.0	0.0





## Treasurer's Office

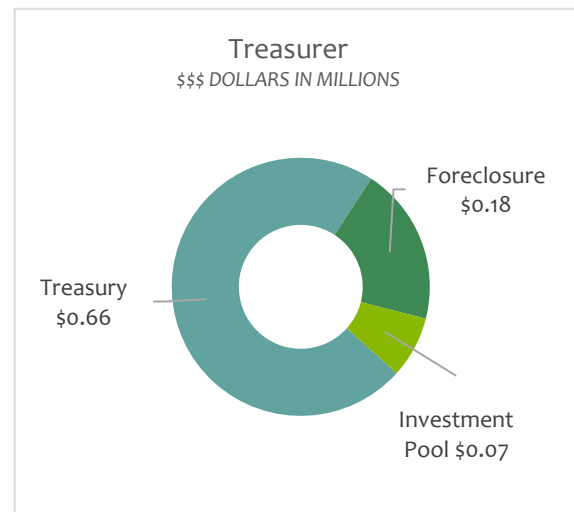
The county treasurer holds a key position of public trust in the financial affairs of local government. Acting as the bank for the county, school districts, fire districts, water districts, and other units of local government, this office receipts, disburses, invests, and accounts for the funds of each of these entities. In addition, the county treasurer is charged with the collection of various taxes that benefit a wide range of governmental units. Over 60% of the workload of the county treasurer is directed toward providing services to the taxing districts.

The major responsibilities of the Island County Treasurer can be summarized below (and are detailed on the Treasurer's website at this [link](#)):

- Receipting and accounting of revenue
- Billing and collection of taxes and benefit assessments
- Disbursement of funds
- Cash and investment management
- Debt management

The overall budget for the Treasurer's office continues funding for existing personnel and services.

In 2019 the Treasurer will establish a local investment pool which will improve interest earnings and be available to local taxing districts.



## Treasurer's Office

	2019	2018	Change
Revenues	\$1,280,000	\$1,248,500	\$31,500 3%
Expenditures	\$924,429	\$919,021	\$5,408 1%
FTEs	7.8	7.8	0.0

## WSU Extension Services



WSU Extension Services encompasses a variety of programs, such as Youth 4-H, Master Gardeners, Shore Stewards, Waste Wise, and Forestry education. Funding sources include state and federal grants, donations for local volunteer organizations, and the County's general fund. The County's

contribution will be approximately \$175,000, which is like 2018 and includes additional funding to fund a full-time 4-H Coordinator.

In 2018, the Memorandum of Agreement between Washington State University and the County was revised. Under the revised agreement, Extension Services personnel are WSU employees, except for the Noxious Weed program coordinator. The Noxious Weed program and coordinator are part of the County's Natural Resources department.

The [WSU Extension](#) budget for 2019 does increase the 4-H position full-time and includes increased support for the WSU forestry program. The [Interlocal agreement](#) document outlines the WSU Extension office services - Farm Systems Outreach, Master Gardener Program, Shore Steward education, Waste Wise, 4-H and Food systems (funded through a USDA SNAP-ED grant). Notably in 2018 WSU made a major investment in the Island County Extension office to offer [video conferencing](#) with other WSU campuses.

More information about WSU Extension Services can be found on <https://extension.wsu.edu/island/>.

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**Serving the Communities of Island County**



## Fund Accounting

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Island County finances are organized into over 50 separate funds. Each fund acts as a separate unit for accounting and budgetary purposes. A fund is a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or fund balances. Funds allow the County to separately budget and account for revenues that are restricted by law or policy to a specific use or purpose.

The County's budget does not include Special Purpose taxing districts such as Fire Districts, Port Districts, Island Transit, Water and Sewer Districts. These Special Purpose taxing districts have their own elected boards of commissioners who adopt district budgets.

### Types of Funds

Types of funds used by Island County include:

**The General Fund**, also called the Current Expense fund, is the County's main operating fund.

**Special Revenue Funds** are used to account for revenues that legally can only be used for specific purposes. An example is the *County Road Fund* that accounts for county road property tax levy and motor vehicle fuel taxes, both of which can only be used for county roads. Island County has 46 *special revenue funds*.

**Capital Project Funds** are used to account for major construction projects (not including roads). Island County currently uses one capital project fund -- Construction and Acquisition -- for a major facility construction project (*Island County Mental Health Crisis Center*).

**Internal Service Funds** account for certain services provided internally between departments. Island County has 3 *internal service funds*.

- **Equipment Rental and Revolving Fund** is mandated by state law to account for County Road equipment and facilities.
- **Motor Pool Fund** accounts for vehicles used by county departments (not including Public Works).
- **Insurance Reserve Fund** accounts for the County's insurance and risk management program.
- **Enterprise Funds** are established to account for activities that are operated like private business with the intent that the cost of goods/services provided will be recovered through user fees. Island County has 2 *enterprise funds*, Solid Waste and the Four Springs Park.



The following table includes the list of funds beginning with the general fund, followed by the 46 special revenue funds, the internal service funds and the 2 enterprise funds the County uses to manage its finances.

<b>FUND NAME</b>	<b>DESCRIPTION</b>	<b>DEPT. BUDGET</b>
<b>CURRENT EXPENSE</b>	RCW 36.33.010 General Fund accounts for revenues and expenditures not specifically required to be accounted for in a special revenue fund.	Assessor Auditor Budget Clerk Commissioners Coroner District Court Emergency Mgt. Facilities GSA Human Resources Info Technology Parks Planning (PCD) Prosecuting Attorney Sheriff (incl. Jail) Superior, Juvenile & Family Courts Treasurer
<b>2% HOTEL/MOTEL PUBLIC</b>	Basic two percent tax on the furnishing of lodging. This tax is taken as a credit against the 6.5 percent state sales tax, so that the total tax that a patron pays in retail sales tax and the lodging tax combined is equal to the retail sales tax in the jurisdiction. Can only be used for Tourism Promotion. Lodging Advisory Committee reviews grants applications and makes recommendations to BOCC. RCW 67.28.180.	Miscellaneous
<b>ALCOHOL/SUBSTANCE ABUSE</b>	Chemical Dependency treatment grants	Human Services
<b>ANTI-PROFITEERING</b>	Proceeds from sale of certain assets profiting from drug activities	Prosecuting Attorney
<b>AUDITOR'S M &amp; O</b>	Auditor's M&O Fund–Auditor's Historical Document Preservation and Modernization Account. The state treasurer's distribution of the surcharge to the county. RCW 36.22.170(2)(a). These resources should be used for ongoing preservation of historical documents of all county offices and departments. The County Auditor's Operation and Maintenance Fund is subject to budget requirements and must be appropriated.	Auditor General Services Administration
<b>BOATING SAFETY PROGRAM</b>	Annual vessel registration fee is collected along with the watercraft excise tax. Any amount collected beyond the specified \$1.1 million dedicated to the state general fund is allocated to counties with an approved local boating safety program. Distributions are based on the number of vessel	Sheriff

FUND NAME	DESCRIPTION	DEPT. BUDGET
	registrations by county of moorage. All revenue must be dedicated to a boating safety program and law enforcement functions and may not supplant other revenues. (RCW 88.02.050)	
<b>CAPITAL DRAINAGE</b>	INACTIVE. Major drainage projects that are funded by multiple sources (REET 2, County Road)	
<b>CASA FUND</b>	Court Appointed Special Advocates (aka Guardian ad Litem program)	Superior & Juvenile Court
<b>CLEAN WATER UTILITY</b>	Clean Water Utility fees and programs ICC Ch. 15.03	Public Works
<b>COMMUNITY MENTAL HEALTH FACILITY</b>	INACTIVE. Rents and expenditures associated with operation of a county owned facility.	Facilities Mgt.
<b>CONSERVATION FUTURES</b>	Conservation Futures levy and grants for open space. RCW 84.34.230	General Services Administration
<b>CONSTRUCTION &amp; ACQUISITION</b>	Used to consolidate accounting and reporting of revenues and expenditures for construction of new buildings.	Facilities Mgt.
<b>CORNET BAY DOCK</b>	Accounts for Cornet Bay Dock revenues and expenditures	Parks
<b>COUNTY FAIR</b>	INACTIVE. Ownership transferred to Port of South Whidbey.	Facilities Mgt.
<b>COUNTY LAW LIBRARY</b>	RCW 27.24.070 Fund is managed by County Law Library Board	Superior Court
<b>COUNTY ROAD</b>	Accounts for all revenues and expenditures associated with County Road maintenance and construction.	Public Works
<b>DEVELOPMENTAL DISABILITIES</b>	Earmarked portion (\$.0125 per \$1,000 AV) of County Current Expense Levy to be used for services provided to developmentally disabled individuals. RCW 71.20.110	Human Services
<b>DRUG SEIZURE</b>	Proceeds from drug seizures and sale of related items (state portion)	Sheriff
<b>ELECTION RESERVE</b>	RCW 36.33.200 Accounts for costs of elections	Auditor
<b>ENHANCED 911</b>	Wireline and wireless telephone taxes. These funds are passed through to ICOM. RCW 82.14B.030	Miscellaneous
<b>EQUIPMENT RENTAL &amp; REVOLVING (ER&amp;R)</b>	RCW 36.33A Serves as a replacement fund to ensure adequate funds are available to replace county road equipment and county road maintenance facilities.	Public Works
<b>EXTENSION SERVICES</b>	Accounts for WSU Extension	WSU Extension
<b>FAMILY RES CTR CAMANO</b>	Rents and expenditures associated with operation of county owned facility. (Health facility at Camano Annex)	Facilities Mgt.
<b>FAMILY RES CTR OAK HARBOR</b>	Rents and expenditures associated with operation of county owned facility. (Health facility in Oak Harbor)	Facilities Mgt.
<b>FAMILY RES CTR SOUTH WHIDBEY</b>	Rents and expenditures associated with operation of county owned facility. (Facility located on Maxwellton Road)	Facilities Mgt.
<b>FEDERAL ASSET</b>	Proceeds from drug seizures and sale of related items (federal portion)	Sheriff
<b>FIRE PERMIT PROGRAM</b>	County program for issuing burn permits.	Health
<b>FOUR SPRINGS LAKE</b>	Accounts for Four Springs Lake Preserve located on Camano Island.	Parks
<b>HISTORICAL PRESERVATION SURCHARGE</b>	RCW 36.22.170 Promote historical preservation or historical programs, which may include preservation of historic documents.	Miscellaneous
<b>HOMELESS HOUSING SURCHARGE</b>	Local Homeless Housing Program RCW 36.22.179, Chapter 43.185C RCW	Human Services

FUND NAME	DESCRIPTION	DEPT. BUDGET
<b>HUMAN SERVICES FUND</b>	Administration of Human Services programs	Human Services
<b>INSURANCE RESERVE</b>	Risk management administration and insurance costs.	GSA
<b>JOINT TOURISM</b>	Additional lodging tax of two percent. Can only be used to promote tourism. Funds are administered by Joint Advisory Board. RCW 67.28.180.	Miscellaneous
<b>JUVENILE DETENTION</b>	RCW 82.14.350 Sales tax for Juvenile Detention Facility	Superior & Juvenile Court
<b>LOW-INCOME HOUSING SURCHARGE</b>	Affordable Housing Surcharge RCW 36.22.178	Human Services
<b>MENTAL HEALTH</b>	Earmarked portion (\$.0125 per \$1,000 AV) of County Current Expense Levy to be used for mental health services. RCW 71.20.110	Human Services
<b>MENTAL HEALTH THERAPEUTIC COURTS SALES TAXES</b>	RCW 82.14.460 Sales tax for chemical dependency or mental health treatment services or therapeutic courts	Human Services; Superior & Juvenile Courts Prosecuting Attorney Clerk
<b>MOTOR POOL</b>	Accounts for acquisition of non-public works vehicles including Sheriff's vehicles.	Facilities
<b>NATURAL RESOURCES</b>	Revenues and expenditures for salmon recovery, water quality management, county weed control and other grant programs.	Natural Resources
<b>PATHS &amp; TRAILS</b>	Construction of paths and trails. RCW 47.30.040	Public Works
<b>PUBLIC HEALTH POOLING</b>	RCW 70.12.040 Revenues and expenditures relating to county health programs including community, family and environmental health programs.	Health
<b>PUBLIC WORKS FUND</b>	Administration of Public Works Department	Public Works
<b>REET 1 CAPITAL IMPROVEMENTS</b>	RCW 82.46.010 Real Estate Excise Tax on sale of real property (one-quarter of one percent)	Public Works Facilities Mgt.
<b>REET 2 CAPITAL FACILITIES</b>	RCW 82.46.035 Real Estate Excise Tax on sale of real property (one-quarter of one percent)	Public Works Parks
<b>REET ELECTRONIC/ PROPERTY TAX</b>	RCW 82.45.180 Funds to be used for maintenance and operation of annual revaluation system for property tax valuation and electronic processing and reporting system for real estate excise tax affidavits.	Assessor Treasurer
<b>RURAL COUNTY SALES TAXES</b>	RCW 82.14.370 Sales and use tax for public facilities in rural counties supporting economic development and job retention and creation. 9/10th of 1% is credited back to the county from state sales taxes and does not increase the total rate. (aka .09 Economic Development Sales Tax)	Miscellaneous
<b>SOLID WASTE</b>	Revenues and expenditures related to Solid Waste programs, operations and facilities	Public Works
<b>STORM &amp; SURFACE WATER</b>	Revenues, expenditures and debt service for the Marshall Road Drainage Utility.	Public Works
<b>TREASURER'S M &amp; O</b>	Foreclosure fees and costs associated with Treasurer's foreclosure activities.	Treasurer
<b>TRIAL COURT IMPROVEMENT</b>	RCW 3.58.060 An amount equal to one hundred percent of the state's contribution received by the county for the payment of district court judges' salaries shall be deposited into the account. Money in the account shall be used to fund improvements to superior and district court staffing,	Superior Court District Court

FUND NAME	DESCRIPTION	DEPT. BUDGET
	programs, facilities, or services, as appropriated by the county legislative authority.	
VETERANS ASSISTANCE	Earmarked portion (1/8th cent per \$1,000 AV) of County Current Expense Levy. Can only be used for indigent veterans and their families. RCW 73.08.080	Human Services
WATER QUALITY	Septic Loan Assistance Program funded by WA DOE grants and WA DOE low interest loan.	Health

## 2019 Fund Revenues

Fund Revenues	Prior Years Actuals		Date @	2018	2019	\$	%
	2016	2017	10/31/2018	Budget	Budget	Chg	Chg
2% HOTEL/MOTEL PUBLIC FACILITY	\$241,725	\$259,028	\$209,237	\$280,075	\$324,000	\$43,925	16%
ALCOHOL/SUBSTANCE ABUSE	106,292	286,906	229,066	309,736	463,171	153,435	50%
ANTI-PROFITEERING						0	0%
AUDITOR'S M & O	144,637	126,478	111,068	120,000	120,000	0	0%
BOATING SAFETY PROGRAM	38,550	41,595	39,502	40,000	40,000	0	100%
CAPITAL DRAINAGE	27,262					0	
CASA FUND	100,955	125,258	127,216	142,265	146,364	4,099	3%
CLEAN WATER UTILITY	1,506,979	1,504,895	1,382,153	1,507,000	1,507,000	0	0%
COMM MENTAL HEALTH FACILITY	1,447					0	
CONSERVATION FUTURES	709,244	1,224,567	677,161	1,130,500	715,000	-415,500	-37%
CONSTRUCTION ACQUISITION			1,000,000		5,000,000	5,000,000	
CORNET BAY DOCK	17,460	14,435	10,805	18,915	18,915	0	0%
COUNTY FAIR						0	
COUNTY LAW LIBRARY	31,318	22,640	22,543	25,110	26,113	1,003	4%
COUNTY ROAD	19,284,537	18,931,086	16,171,820	18,407,185	19,391,785	984,600	5%
CURRENT EXPENSE	28,531,000	27,669,097	21,533,012	26,439,461	26,904,688	465,227	2%
DEVELOPMENTAL DISABILITIES	908,197	963,218	766,738	970,730	1,094,266	123,536	13%
DRUG SEIZURE	6,278	2,890	3,150	10,000	10,000	0	0%
ELECTION RESERVE	180,298	205,657	230,882	284,290	280,000	-4,290	-2%
ENHANCED 911	801,128	909,952	829,407	884,000	831,000	-53,000	-6%
EQUIPMENT RENTAL/REVOLVING	4,072,811	3,907,001	4,919,102	5,447,301	4,510,067	-937,234	-17%
EXTENSION SERVICES FAMILY RES CNTR	382,194	323,237	140,614	362,715	278,043	-84,672	-23%
CAMANO	59,496	68,773	107,675	77,227	77,680	453	1%

Fund Revenues	Prior Years Actuals		Date @ 10/31/2018	2018 Budget	2019 Budget	\$ Chg	% Chg
	2016	2017					
FAMILY RES CNTR							
OAK HARBOR	52,049	57,565	49,904	60,164	61,610	1,446	2%
FAMILY RES CNTR SO							
WHIDBEY	6,000	6,000	3,342	6,000	9,660	3,660	61%
FEDERAL ASSET FORFEITURE						0	
FIRE PERMIT PROGRAM	39,806	43,617	33,270	40,600	39,800	-800	-2%
FOUR SPRINGS LAKE PRESERVE	52,914	39,966	69,638	59,300	54,000	-5,300	-9%
HISTORIC PRESERVATION	22,964	22,998	18,251	23,000	23,000	0	0%
HOMELESS HOUSING	694,695	711,571	734,120	744,466	900,805	156,339	21%
HUMAN SERVICES	822,406	781,084	869,723	772,369	802,500	30,131	4%
INSURANCE RESERVE	740,021	1,223,536	716,963	973,194	1,018,399	45,205	5%
INVESTMENT MAINT FUND					68,000	68,000	100%
ISL CNTY PLANNING DEV FUND		860	2,855,978	2,836,060	2,419,650	-416,410	-15%
JOINT TOURISM PROMOTION	351,087	350,532	302,754	380,075	422,000	41,925	11%
JUVENILE DETENTION CENTER	1,369,865	1,310,435	849,631	1,350,000	1,435,000	85,000	6%
LOW-INCOME HOUSING SURCHARGE	107,407	107,500	99,362	106,400	119,700	13,300	13%
MENTAL HEALTH	229,383	269,218	128,054	266,726	388,539	121,813	46%
MH THERAPEUTIC COURT SALES TAX	1,062,551	1,237,314	847,772	1,343,000	1,430,000	87,000	6%
MOTOR POOL	437,916	513,954	432,448	752,172	622,080	-130,092	-17%
NATURAL RESOURCES	934,920	550,358	468,742	677,260	684,486	7,226	1%
PATHS & TRAILS	355,759	840,884	239,377	324,377	1,277,040	952,663	294%
PUBLIC HEALTH	3,217,295	3,405,605	2,655,872	3,349,631	3,403,696	54,065	2%
PUBLIC WORKS	644,283	751,047	794,796	822,682	916,472	93,790	11%
REET 1 CAPITAL IMPROVEMENTS	2,129,592	1,995,313	1,791,499	1,700,000	1,935,000	235,000	14%
REET 2 CAPITAL FACILITIES	2,680,013	2,139,356	1,842,148	1,700,000	1,935,000	235,000	14%
REET TECHNOLOGY/PROP TAX ADM	25,075	25,556	20,809	15,500	24,000	8,500	55%
RURAL COUNTY SALES TAX	992,201	1,073,575	767,637	1,216,000	1,325,000	109,000	9%
SOLID WASTE	7,213,178	7,670,200	6,424,626	7,443,123	7,865,249	422,126	6%
STORM & SURFACE WATER UTILITY		3,855	5,000	8,386	0	-8,386	-100%
TREASURER'S M & O	158,954	147,803	69,971	170,000	180,000	10,000	6%

Fund Revenues	Prior Years Actuals		Date @ 10/31/2018	2018 Budget	2019 Budget	\$ Chg	% Chg
	2016	2017					
TRIAL COURT IMPROVEMENT	17,051	5,863	23,201	20,000	23,192	3,192	16%
VETERANS ASSISTANCE	139,860	147,826	79,916	149,950	149,950	0	0%
WATER QUALITY ASSISTANCE	126,800	76,065	15,840			0	
<b>TOTAL</b>	<b>\$81,775,853</b>	<b>\$82,096,169</b>	<b>\$71,721,795</b>	<b>\$83,766,945</b>	<b>\$91,271,920</b>	<b>\$7,504,975</b>	<b>9%</b>

## 2019 Fund Expenditures

Fund Expenditures	Prior Years Actuals		Date @ 10/31/2018	2018 Budget	2019 Budget	\$ Chg	% Chg
	2016	2017					
2% HOTEL/MOTEL PUBLIC FACILITY	\$214,695	\$282,140	\$231,549	\$280,075	\$310,222	\$30,147	11%
ALCOHOL/SUBSTANCE ABUSE	125,165	293,271	249,679	311,236	465,871	154,635	50%
ANTI-PROFITEERING							0%
AUDITOR'S M & O	205,921	229,964	124,105	104,241	111,540	7,299	7%
BOATING SAFETY PROGRAM	51,279	45,422	67,605	36,668	36,175	-493	-1%
CAPITAL DRAINAGE	959,718						
CASA FUND	108,241	121,830	112,427	147,705	146,364	-1,341	-1%
CLEAN WATER UTILITY	1,975,306	1,051,667	701,651	1,444,067	1,215,551	-228,516	-16%
COMM MENTAL HEALTH FACILITY	1,083						
CONSERVATION FUTURES	1,214,166	1,144,984	936,551	1,130,500	806,480	-324,020	-29%
CONSTRUCTION ACQUISITION			34,899		5,000,000		
CORNET BAY DOCK	11,489	17,790	10,585	20,185	18,915	-1,270	-6%
COUNTY FAIR							
COUNTY LAW LIBRARY	30,913	23,443	17,461	25,110	26,113	\$1,003	4%
COUNTY ROAD	17,613,841	20,139,833	17,789,881	26,401,305	23,389,426	-3,011,879	-11%
COURTHOUSE EXPANSION							
CURRENT EXPENSE	28,626,231	27,301,566	20,350,371	26,953,183	27,726,560	773,377	3%
DEVELOPMENTAL DISABILITIES	881,786	965,123	1,250,365	1,459,730	1,081,428	-378,302	-26%
DRUG SEIZURE	12,758			10,000	10,000	0	0%
ELECTION RESERVE	604,519	226,250	284,230	284,290	255,527	-28,763	-10%
ENHANCED 911	801,129	909,953	685,616	884,000	831,000	-53,000	-6%
EQUIPMENT RENTAL/REVOLVING	4,147,025	3,784,651	2,946,453	5,447,301	4,510,067	-937,234	-17%



Fund Expenditures	Prior Years Actuals		Date @	2018	2019	\$	%
	2016	2017	10/31/2018	Budget	Budget	Chg	Chg
EXTENSION SERVICES	352,630	341,395	54,182	362,715	278,043	-84,672	-23%
FAMILY RES CNTR CAMANO	70,635	75,945	61,253	77,227	61,753	-15,474	-20%
FAMILY RES CNTR OAK HARBOR	52,719	61,566	46,707	60,165	53,388	-6,777	-11%
FAMILY RES CNTR SO WHIDBEY	112	636	10,536	6,000	5,460	-540	-9%
FEDERAL ASSET FORFEITURE							
FIRE PERMIT PROGRAM	23,735	48,629	28,145	40,600	39,800	-800	-2%
FOUR SPRINGS LAKE PRESERVE	67,877	73,320	49,882	59,300	59,540	240	0%
HISTORIC PRESERVATION	16,480	44,760	10,272	23,000	23,000	0	0%
HOMELESS HOUSING	668,515	751,093	1,258,893	1,578,968	984,570	-594,398	-38%
HUMAN SERVICES	702,305	713,472	526,928	772,369	777,792	5,423	1%
INSURANCE RESERVE	805,841	797,983	908,120	1,093,194	1,018,399	-74,795	-7%
INVESTMENT MAINT FUND					68,000	68,000	100%
ISL CNTY PLANNING DEV FUND		3,660	2,207,212	3,021,906	3,276,816	254,910	8%
JOINT TOURISM PROMOTION	316,191	342,852	290,782	380,075	415,547	35,472	9%
JUVENILE DETENTION CENTER	1,214,511	1,281,810	1,040,632	1,319,867	1,507,585	187,718	14%
LOW-INCOME HOUSING SURCHARGE	130,049	54,325	84,125	206,400	219,700	13,300	6%
MENTAL HEALTH	334,072	338,247	159,744	383,989	352,096	-31,893	-8%
MH THERAPEUTIC COURT SALES TAX	1,040,949	1,019,351	923,267	1,155,133	1,860,825	705,692	61%
MOTOR POOL	306,284	372,606	311,966	574,092	597,822	23,730	4%
NATURAL RESOURCES	859,381	556,078	493,571	677,260	684,486	7,226	1%
PATHS & TRAILS	57,500	919,731	56,865	324,377	1,495,540	1,171,163	361%
PUBLIC HEALTH	2,978,403	3,120,763	2,550,629	3,365,631	3,403,696	38,065	1%
PUBLIC WORKS	689,413	746,674	599,461	822,682	916,472	93,790	11%
REET 1 CAPITAL IMPROVEMENTS	1,327,612	778,237	1,507,851	2,388,550	5,619,600	3,231,050	135%
REET 2 CAPITAL FACILITIES	1,038,627	927,011	533,495	794,628	1,166,900	372,272	47%
REET TECHNOLOGY/PROP TAX ADM	4,336	10,122	4,616	5,778	21,874	16,096	279%
RURAL COUNTY SALES TAX	240,416	879,791	408,054	679,615	1,432,168	752,553	111%
SOLID WASTE	6,894,612	7,308,362	7,479,861	7,443,123	7,865,249	422,126	6%

Fund Expenditures	Prior Years Actuals		Date @ 10/31/2018	2018 Budget	2019 Budget	\$ Chg	% Chg
	2016	2017					
STORM & SURFACE WATER UTILITY	18,197	17,898	1,477	8,386	8,790	404	5%
TREASURER'S M & O	149,317	152,822	121,425	175,612	176,510	898	1%
TRIAL COURT IMPROVEMENT	13,904	741	2,155	477	0	-477	-100%
VETERANS ASSISTANCE	72,859	149,153	138,167	163,717	151,765	-11,952	-7%
WATER QUALITY ASSISTANCE	34,729	114,832	56,525			0	
<b>TOTAL</b>	<b>\$78,067,476</b>	<b>\$78,541,752</b>	<b>\$67,720,226</b>	<b>\$92,904,432</b>	<b>\$100,484,425</b>	<b>\$2,579,993</b>	<b>3%</b>

### Uses of Fund Balances and Reserves

Fund balance is like a savings account and includes both cash and non-cash items. It is normally used to fund costs with a limited duration. Fund balance provides operating cash when there is a disparity between when resources become available and making payments. The use of some revenue streams is restricted by law. Fund balance can be used to set aside funds for disasters, economic downturns, capital equipment needs, and future liabilities.

When fund balance is budgeted to be used to pay for an expenditure, it's depicted in the revenue budget as "use of Fund Balance/Reserve." When budgeted revenues exceed budgeted expenditures, the difference is shown in the expenditure budget as "Accumulation of Fund Balance" and increases the balance available for future years.

In 2019 approximately \$12.5 million is budgeted as Use of Fund Balance, which is a slight increase (\$0.2 million) from the 2018 budget. The major use of fund balance is forecasted to occur in the Capital Improvements fund to finance the new Camano Annex and in County Road fund due to an aggressive construction schedule during 2019. Under Accumulation of Fund Balance \$3.3 million is budgeted, which is a 4% (\$140,000) increase over the previous year.

FUND	Beginning Jan 1 BALANCE	Uses	Accumulation	Net Change	Ending Dec 1 BALANCE
<b>CURRENT EXPENSE</b>					
Reserved	\$8,379,182	\$815,000		-\$815,000	\$7,564,182
Unreserved	413,974	696,000	689,128	-6,872	407,102
<b>Total</b>	<b>8,793,156</b>	<b>1,511,000</b>	<b>689,128</b>	<b>-821,872</b>	<b>7,971,284</b>
<b>RESTRICTED REVENUE FUNDS</b>					
2% Hotel/Motel Public Facility	252,574	0	13,778	13,778	266,352
Alcohol/Substance Abuse	41,703	2,700	0	-2,700	39,003
Anti-Profitteering	12,732	0	0	0	12,732

<b>FUND</b>	<b>Beginning Jan 1 BALANCE</b>	<b>Uses</b>	<b>Accumulation</b>	<b>Net Change</b>	<b>Ending Dec 1 BALANCE</b>
Auditor's M & O	107,712	0	8,460	8,460	116,172
Boating Safety Program	97,885	0	3,825	3,825	101,710
Casa Fund	109,662	0	0	0	109,662
Centennial Fund	504	0	0	0	504
Clean Water Utility	1,488,880	0	291,449	291,449	1,780,329
Community Mental Health Facility	13,859	0	0	0	13,859
Conservation Futures	558,993	91,480	0	-91,480	467,513
Construction Acquisition	424	0	0	0	424
Cornet Bay Dock	64,241	0	0	0	64,241
County Fair	158	0	0	0	158
County Law Library	2,281	0	0	0	2,281
County Road	12,365,571	3,997,641	0	-3,997,641	8,367,930
Developmental Disabilities	193,179	6,911	19,749	12,838	206,017
Drug Seizure	43,070	0	0	0	43,070
Election Reserve	338,549	0	24,473	24,473	363,022
Extension Services	146,932	0	0	0	146,932
Family Res Center Camano	0	0	15,927	15,927	15,927
Family Res Center Oak Harbor	0	0	8,222	8,222	8,222
Family Res Center So Whidbey	53,028	0	4,200	4,200	57,228
Federal Asset Forfeiture	0	0	0	0	0
Fire Permit Program	41,347	0	0	0	41,347
Harbor Improvement	3,919	0	0	0	3,919
Historic Preservation	34,775	0	0	0	34,775
Homeless Housing	392,300	83,765	0	-83,765	308,535
Human Services Administration	186,741	430,825	24,708	-406,117	-219,376
Joint Tourism Promotion	291,544	0	6,453	6,453	297,997
Juvenile Detention Center	796,614	200,000	127,415	-72,585	724,029
Low Income Housing Surcharge	235,597	100,000	0	-100,000	135,597
Mental Health	34,188	5,822	42,265	36,443	70,631
Mental Health/Treatment Sales Taxes	1,238,858	0	0	0	1,238,858
Miscellaneous	0	0	0	0	0
Natural Resources	0	0	0	0	0
Paths & Trails	698,110	218,500	0	-218,500	479,610
Planning & Community Development	2,681,025	857,166	0	-857,166	1,823,859
Public Health	950,141	0	0	0	950,141
Public Works	0	0	0	0	0
REET 1 Capital Improvements	4,425,953	3,684,600	0	-3,684,600	741,353
REET 2 Capital Facilities	6,087,570	0	768,100	768,100	6,855,670
REET Technology/Prop Tax Admin	154,431	0	2,126	2,126	156,557
Rural County Sales Tax	3,351,674	1,298,000	1,190,832	-107,168	3,244,506

<b>FUND</b>	<b>Beginning Jan 1 BALANCE</b>	<b>Uses</b>	<b>Accumulation</b>	<b>Net Change</b>	<b>Ending Dec 1 BALANCE</b>
So HH Shellfish Protection Dis	15,413	0	0	0	15,413
Storm & Surface Water Utility	9,000	8,790	0	-8,790	210
Treasurer's M & O	248,936	0	3,490	3,490	252,426
Trial Court Improvement	73,687	0	23,192	23,192	96,879
Veterans Assistance	160,067	1,815	0	-1,815	158,252
Water Quality Assistance	439,392	0	0	0	439,392
Courthouse Expansion	9,484	0	0	0	9,484
<b>PROPRIETARY FUNDS</b>					
<i>(Excludes Net Investment In Capital Assets)</i>					
Equipment Rental & Revolving	1,492,103	0	0	0	1,492,103
Four Springs Lake Preserve	15,000	5,540	0	-5,540	9,460
Insurance Reserve	1,582,036	0	0	0	1,582,036
Motor Pool	496,768	0	24,258	24,258	521,026
Solid Waste	4,075,412	0	0	0	4,075,412
<b>TOTAL</b>	<b>\$54,907,173</b>	<b>\$12,504,555</b>	<b>\$3,292,050</b>	<b>-\$9,212,505</b>	<b>\$45,694,668</b>

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**Serving the Communities of Island County**



## Island County Diking District #4

Diking District #4 is located on the west side of South Whidbey Island at Deer Lagoon. This budget of \$4,000.00 provides for the maintenance of the public dike. The Commissioners serve as the governing board of Diking District #4.

ISLAND COUNTY DIKING DISTRICT #4							
EXPENDITURES BY ACTIVITY			Year to date @				
Description	2016	2017	10/31/2018	Budget	Budget	Chg	Chg
USE OF FUND BALANCE				4,000	4,000		
LID TAX	45,973	358	195			0	
<b>TOTAL REVENUES</b>	<b>45,973</b>	<b>358</b>	<b>195</b>	<b>4,000</b>	<b>4,000</b>	<b>0</b>	<b>0%</b>
INTERFUND SERVICES	21,983	1,822		4,000	4,000	0	0%
DEBT SERVICE						0	
ACCUM OF ENDING FUND BALANCE						0	
<b>TOTAL EXPENDITURES</b>	<b>21,983</b>	<b>1,822</b>		<b>4,000</b>	<b>4,000</b>	<b>0</b>	<b>0%</b>



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**Serving the Communities of Island County**

## Glossary of Budget Terms

**Account** – A record of additions, deletions, and balances of individual assets, liabilities, equity, revenues, and expenses.

**Accrual Basis** – A method of accounting in which revenue is recorded in the period in which it is earned (whether or not it is collected in that period), and expenses are reported in the period when they are incurred (no matter when the disbursements are made). This method differs from the cash basis of accounting, in which income is considered earned when received and expenses are recorded when paid. All funds except the governmental funds are accounted on the accrual basis, and the governmental funds are accounted on a modified accrual basis.

### **Administrative Services**

**Departments** – Refers to organizational units or departments that primarily provide services to other departments or divisions. These include:

- **Legislative** – Board of County Commissioners and their legislative functions;
- **Financial Services** – the accounting, financial reporting, customer service, and treasury functions;
- **Personnel Services** – provides centralized personnel services to all County operations;
- **General Administrative Services** – provides supervision of budget, risk

management, public defenders office, records management, and other general administrative services;

**Agency Fund** – A governmental accounting classification used to describe those situations where one jurisdiction is acting on behalf of another.

**Appropriation** – The legal spending level authorized by an ordinance

of the Board of County Commissioners. Spending should not exceed this level without prior approval of the Board.

### **Assessed Valuation** –

The value assigned to properties within the county that is used in computing the property taxes to be paid by property owners.

**BARS** – The Budgeting, Accounting, and

Reporting System for accounting systems prescribed by the Washington State Auditor's Office.

**Benefits** – County-provided employee benefits, such as social security insurance, retirement, worker's compensation, life insurance, medical insurance, vision insurance, and dental insurance.

**Budget** – A financial plan of operations for the county. It is a plan, not a list of accounts and amounts.

**Capital Improvement Program (CIP)** – The element of the budget that deals with the expenditure of funds on durable capital



facilities and equipment, typically with a value of more than \$5,000.

**Capital Outlay** – A budget category that may be a part of a capital improvement program, or in the

case of expending less than \$5,000 but more than \$500, is a part of the operating budget.

**Capital Project** – A single project within the Capital Improvements Program.

**Costs Allocation** – The assignment of applicable costs incurred by a central services department (like “administrative services”) to a fund based on the benefit to the fund being assessed.

**Councilmanic Bonds** – Bonds that can be authorized by the Board of County Commissioners without a vote of the public in an amount up to .75 percent of the assessed valuation of the county assets.

**Current Expense Fund** – See “General Fund”

**Debt Service** – Interest and principle payments on debt.

**Debt Service Funds** – The type of fund that accounts for the payment of debt service on general obligations of the county.

**Designated Fund Balance** – A portion of fund balance that has been designated by past council action for a specific purpose.

**Enterprise Fund** – A type of proprietary fund in which the direct beneficiaries pay for all costs of the fund through fees, or where a periodic determination of revenues and expenses is desired by management.

**Fund** – A self-balancing group of accounts that includes revenues and expenditures.

**GAAP** – “Generally Accepted Accounting Principles,” which are mostly determined by the GASB for governments.

**GASB** – “Governmental Accounting Standards Board,” which determines the underlying principles to be used in accounting for governmental activities.





# 2019 Final Island County Adopted Budget

